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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)

**POLL RESULTS OF THE ANNUAL GENERAL
MEETING HELD ON 15 JUNE 2010**

The Board of the Company hereby announces that all the proposed resolutions set out in the notice convening the AGM contained in the Circular were duly passed by the shareholders of the Company by way of poll at the AGM held on 15 June 2010.

Reference is made to the circular of Chongqing Machinery & Electric Co., Ltd.* (the “**Company**”) dated 28 April 2010 (the “**Circular**”) in connection with (i) proposed granting of a general mandate to issue new shares of the Company; (ii) renewal of a guarantee by the Company for a loan of RMB37 million for Chongqing Pigeon; (iii) renewal of a guarantee by the Company for a loan of RMB50.44 million of CAFF; (iv) re-election of Directors; (v) re-election of supervisors; (vi) remuneration standards for the second session of the Board and Supervisory Committee; (vii) renewal of non-except continuing connection transactions; and (viii) revision of the existing annual cap under the Existing Master Supplies Agreement. Terms used herein shall have the same meaning as defined in the Circular unless otherwise specified.

RESULTS OF THE AGM

As at the date of Annual General Meeting (“AGM”) of the Company held on 15 June 2010, the registered and issued share capital of the Company is RMB3,684,640,154 of RMB1.00 each, which is divided into 2,584,452,684 domestic Shares and 1,100,187,470 H Shares.

As stated in the Circular, Parent Company and its associates, which is one of the Promoters of the Company holding 52.22% interest in the Company, is a connected person of the Group, was abstained from voting at the AGM for the resolution no.11 and 12 as set out in the Notice. Accordingly the total number of Shares entitling the Shareholders to vote for or against the resolution nos. 11 and 12 as set out in the Notice either in person, by their duly authorised representatives or by proxy at the AGM were 1,760,414,965 which is divided into 660,227,495 domestic Shares and 1,100,187,470 H Shares. And the total number of Shares entitling the Shareholders to vote for or against the resolution nos. 1 to 10 and 13 as set out in the Notice either in person, by their duly authorised representatives or by proxy at the AGM were 3,684,640,154 which is divided into 2,584,452,684 domestic Shares and 1,100,187,470 H Shares. The board (“Board”) of directors (“Directors”) of the Company is pleased to announce that all the resolutions set out in the AGM Notice were duly passed. All the resolutions, which were voted on by poll, were approved by the Shareholders of the Company.

The Company’s H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, was appointed as the scrutineer for the voting taking at the AGM.

The poll results are as follows:

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
1.	To consider and approve the report of the board of directors of the Company (the “Board of Directors”) for the year ended 31 December 2009;	2,904,489,776 (99.999931%)	2,000 (0.000069%)

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
2.	To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2009;	2,904,489,776 (99.999931%)	2,000 (0.000069%)
3.	To consider and approve the audited consolidated financial statements of the Company and its subsidiaries and the Auditors Report for the year ended 31 December 2009;	2,903,891,776 (99.999931%)	2,000 (0.000069%)
4.	To consider and approve the profit appropriation proposal of the Company for the year ended 31 December 2009;	2,904,489,776 (99.999931%)	2,000 (0.000069%)
5.	To consider and approve the re-appointment of PricewaterhouseCoopers Zhong Tian CPAs Limited Company as the PRC auditors and PricewaterhouseCoopers as the international auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorize the audit committee of the Board of Directors to fix their remuneration;	2,904,259,176 (99.999931%)	2,000 (0.000069%)
6.	To consider and approve the renewal of a guarantee by the Company for a loan of RMB37 million of Chongqing Pigeon Electric Wires & Cables Co., Ltd. (重慶鴿牌電線電纜有限公司) ;	2,904,489,776 (99.999931%)	2,000 (0.000069%)
7.	To consider and approve the renewal of a guarantee by the Company for a loan of RMB50.44 million of Chongqing CAFF Automotive Braking & Steering System Co., Ltd. (重慶卡福汽車制動轉向系統有限公司) ;	2,904,489,776 (99.999931%)	2,000 (0.000069%)

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
8.	(a) To consider and approve the appointment of Mr. Xie Hua Jun as an executive director of the Company to hold office from the date of the AGM 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 2010 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;	2,900,630,812 (99.867069%)	3,860,964 (0.132931%)
	(b) To consider and approve the appointment of Mr. He Yong as an executive director of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. He Yong pursuant to the remuneration standard for Directors passed at the 2010 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;	2,900,630,812 (99.867069%)	3,860,964 (0.132931%)

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>(c) To consider and approve the appointment of Mr. Liao Shaohua as an executive director of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Liao Shaohua pursuant to the remuneration standard for Directors passed at the 2010 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;</p>	<p>2,900,630,812 (99.867069%)</p>	<p>3,860,964 (0.132931%)</p>
	<p>(d) To consider and approve the appointment of Mr. Chen Xianzheng as an executive director of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Chen Xianzheng pursuant to the remuneration standard for Directors passed at the 2010 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;</p>	<p>2,900,630,812 (99.867069%)</p>	<p>3,860,964 (0.132931%)</p>

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	(e) To consider and approve the appointment of Mr. Huang Yong as a non-executive director of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Huang Yong pursuant to the remuneration standard for Directors passed at the 2010 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;	2,900,400,212 (99.85913%)	4,091,564 (0.14087%)
	(f) To consider and approve the appointment of Mr. Yu Gang as a non-executive director of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Yu Gang pursuant to the remuneration standard for Directors passed at the 2010 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;	2,900,352,812 (99.857498%)	4,138,964 (0.142502%)

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>(g) To consider and approve the appointment of Mr. Yang Jingpu as a non-executive director of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Yang Jingpu pursuant to the remuneration standard for Directors passed at the 2010 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;</p>	<p>2,904,489,776 (99.999931%)</p>	<p>2,000 (0.000069%)</p>
	<p>(h) To consider and approve the appointment of Mr. Liu Liangcai as a non-executive director of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Liu Liangcai pursuant to the remuneration standard for Directors passed at the 2010 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;</p>	<p>2,789,776,103 (96.050405%)</p>	<p>114,715,673 (3.949595%)</p>

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>(i) To consider and approve the appointment of Mr. Lo Wah Wai as an independent non-executive director of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Lo Wah Wai pursuant to the remuneration standard for Directors passed at the 2010 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;</p>	<p>2,904,259,176 (99.991992%)</p>	<p>232,600 (0.008008%)</p>
	<p>(j) To consider and approve the appointment of Mr. Ren Xiaochang as an independent non-executive director of the Company to hold office from the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Ren Xiaochang pursuant to the remuneration standard for Directors passed at the 2010 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;</p>	<p>2,904,489,776 (99.999931%)</p>	<p>2,000 (0.000069%)</p>

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	(k) To consider and approve the appointment of Mr. Kong Weiliang as an independent non-executive director of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Kong Weiliang pursuant to the remuneration standard for Directors passed at the 2010 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;	2,904,489,776 (99.999931%)	2,000 (0.000069%)
9.	(a) To consider and approve the appointment of Mr. Duan Rongsheng as a supervisor of the Company to hold office from the date of the AGM 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 Mr. Duan Rongsheng pursuant to the remuneration standard for Supervisors passed at the 2010 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;	2,904,489,776 (99.999931%)	2,000 (0.000069%)

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>(b) To consider and approve the appointment of Ms. Liao Rong as a supervisor of the Company to hold office from the date of the AGM 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 2010 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;</p>	<p>2,904,489,776 (99.999931%)</p>	<p>2,000 (0.000069%)</p>
	<p>(c) To consider and approve the appointment of Ms. Wang Rongxue as a supervisor of the Company to hold office from the date of the AGM 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. Wang Rongxue pursuant to the remuneration standard for Supervisors passed at the 2010 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;</p>	<p>2,904,489,776 (99.999931%)</p>	<p>2,000 (0.000069%)</p>

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>(d) To consider and approve the appointment of Mr. Liu Xing as a supervisor of the Company to hold office from the date of the AGM 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 Mr. Liu Xing pursuant to the remuneration standard for Supervisors passed at the 2010 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;</p>	<p>2,904,489,776 (99.999931%)</p>	<p>2,000 (0.000069%)</p>
	<p>(e) To consider and approve the appointment of Mr. Wang Xuqi as the Supervisor of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Wang Xuqi pursuant to the remuneration standard for Supervisors passed at the 2010 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;</p>	<p>2,904,489,776 (99.999931%)</p>	<p>2,000 (0.000069%)</p>

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	(f) To consider and approve the appointment of Mr. Chen Qing as the Supervisor of the Company to hold office from the date of the AGM until expiry of the term of the session of the Board and to authorize the Board to fix the remuneration of Mr. Chen Qing pursuant to the remuneration standard for Supervisors passed at the 2010 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.	2,904,489,776 (99.999931%)	2,000 (0.000069%)
10.	The remuneration standards for the second session of the Board and the supervisory committee.	2,904,489,776 (99.999931%)	2,000 (0.000069%)
11.	(a) the entering into the Master Agreements (as defined in the circular to the shareholders of the Company dated 28 April 2010) for a period of three years commencing from 1 January 2011 in accordance with the terms thereon be and is hereby approved, confirmed and ratified;	980,264,587 (99.999796%)	2,000 (0.000204%)
	(b) the transactions contemplated under the Master Agreements and the Annual Caps as set out in the abovementioned circular be and are hereby approved;		

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>(c) the Master Agreements, (a copy of each Master 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 28 April 2010 of which this notice forms part and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and</p> <p>(d) 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 11(a) to 11(c) of this resolution.</p>		

ORDINARY RESOLUTIONS		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
12.	<p>(a) the annual proposed cap of being the aggregate purchase price payable by the Group to the Parent Company and its associates under the Existing Master Supplies Agreement for the financial year ended 31 December 2010 be revised from RMB140,000,000 to RMB220,000,000;</p> <p>(b) the Supplemental Master Supplies Agreement, a copy of the Supplemental Master Supplies Agreement has been produced at the meeting marked “B” 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 28 April 2010 of which this notice forms part and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and</p> <p>(c) 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 12(a) to 12(b) of this resolution.</p>	<p>980,264,587 (99.999796%)</p>	<p>2,000 (0.000204%)</p>
	<p>As more than 1/2 of the votes were cast in favour of the above resolutions, the resolutions were duly passed as ordinary resolutions.</p>		

SPECIAL RESOLUTION		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
13.	<p>To give a general mandate to the Board of Directors to allot, issue and deal with additional Domestic Shares and/or the H Shares and to make or grant offers, agreements and/or options in respect thereof, subject to the following conditions (the “General Mandate”):</p> <p>“THAT</p> <p>(A) (a) the General Mandate shall not extend beyond the Relevant Period save that the Board of Directors may during the Relevant Period make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;</p>	<p>2,781,088,147 (95.751283%)</p>	<p>123,403,629 (4.248717%)</p>

SPECIAL RESOLUTION		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>(b) the aggregate nominal amount of the Domestic Shares and the H Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Board of Directors (otherwise than pursuant to any scrip dividend scheme (or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend), any share option scheme, a Rights Issue or any separate approval of the shareholders of the Company) shall not exceed:</p> <p>(i) 20 per cent. of the aggregate nominal amount of the Domestic Shares in issue; and</p> <p>(ii) 20 per cent. of the aggregate nominal amount of the H Shares in issue, respectively, in each case as at the date of passing of this resolution; and</p>		

SPECIAL RESOLUTION		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>(c) the Board of Directors will only exercise its power under the General Mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as each of them may be amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant government authorities in the PRC are obtained;</p>		

SPECIAL RESOLUTION		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>and, for the purposes of this resolution:</p> <p>“Domestic Share(s)” mean ordinary domestic share(s) in the share capital of the Company which are subscribed and/or paid for in Renminbi;</p> <p>“H Share(s)” mean overseas listed foreign invested shares (being ordinary shares) in the share capital of the Company which are subscribed and/or paid for in Hong Kong dollars or foreign currency other than Renminbi;</p>		

SPECIAL RESOLUTION		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>“Relevant Period” means the period from the date of passing this resolution until the earlier of:</p> <p>(a) the conclusion of the next annual general meeting of the Company following the passing of this resolution, unless, by special resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or (b) the expiry of the period within which the next annual general meeting is required by the articles of association of the Company or any applicable law to be held; or (c) the passing of a special resolution of the Company in a general meeting revoking or varying the authority set out in this resolution;</p>		

SPECIAL RESOLUTION		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>“Rights Issue” means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding, as the Board of Directors may decide, for such purpose any shareholder who is resident in a place where such offer is not permitted under the law or regulation of that place) entitled to such offer, pro rata (apart from fractional entitlements) to their then existing holdings of shares; and</p>		

SPECIAL RESOLUTION		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	<p>(B) contingent on the Board of Directors resolving to exercise the General Mandate and/or issue shares pursuant to paragraph (A) of this resolution, the Board of Directors be and is hereby authorised:</p> <p>(a) to approve, execute and do, or procure to be executed and done all such documents, deeds and matters which it may consider necessary in connection with the exercise of the General Mandate and/or the issue of shares, including but not limited to the time, price, quantity and place for such issue, to make all necessary applications to the relevant authorities, and to enter into underwriting agreement(s) or any other agreement(s);</p> <p>(b) to determine the use of proceeds and to make all necessary filings and registration with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate); and</p>	<p>2,781,088,147 (95.751283%)</p>	<p>123,403,629 (4.248717%)</p>

SPECIAL RESOLUTION		Number of H Shares and Domestic Shares represented by votes casted and percentage of total number of H Shares and Domestic Shares represented by votes casted	
		FOR	AGAINST
	(c) to increase the registered capital of the Company and make all necessary amendments to the Articles to reflect such increase and to register the increased capital with the relevant authorities in the PRC, Hong Kong and/or any other places and jurisdictions (as appropriate) as so to reflect the new capital and/or share capital structure of the Company.”		
As more than 2/3 of the votes were cast in favour of this resolution, the resolution was duly passed as a special resolution.			

Appointments of the Directors and Supervisors

The appointments of Mr. Xie Hua Jun, Mr. He yong, Mr. Liao Shaohua and Mr. Chen Xianzheng as Executive director, Mr. Huang Yong, Mr. Yu Gang, Mr. Liu Liangcai and Mr Yang Jingpu as Non-executive director, Mr. Lo Wah Wai, Mr. Ren Xiaochang and Mr. Kong Weilong as Independent Non-executive Director were approved at the AGM. The appointments of Mr. Duan Rongsheng, Ms. Liao Rong, Ms. Wang Rongxue, Mr. Liu Xing, Mr. Wang Xuqi, and Mr. Chen Qing as supervisor were approved at the AGM. The Board will determine the remunerations of the Directors and the Supervisors with reference to remuneration standard for Directors passed at the AGM and the remuneration standard for Supervisor at AGM and other terms and conditions as the Board shall think fit.

Profiles of the Directors and Supervisors

Mr. Xie Hua Jun, aged 56, joined the Parent Company in 2009. He has been an Executive Director and the Chairman of the Company since 31 August 2009. Mr. Xie has accumulated over 30 years of experience in corporate management in the production industry. Mr. Xie is a senior economist. From 2000 to 2002, he graduated from the postgraduate program of Public Administration of the Institute of Administration Management (行政管理學院) at Peking University and was awarded a master degree from the School of Public Administration in Chongqing in 2006. Mr. Xie served as the deputy general manager of Chongqing No. 2 Light Industry Supply & Sale Co. (重慶二輕工業供銷總公司) from February 1988 to February 1990, the manager of Chongqing Craft and Art Industry Company (重慶市工藝美術工業公司) from February 1990 to June 1992, the deputy director of Chongqing Light Industry Bureau from June 1992 to June 1998, the secretary-general of Re-employment Office (再就業辦公室) of Chongqing from June 1998 to July 2000, the vice president of Chongqing Chemical And Pharmaceutical Holding (Group) Company from July 2000 to November 2003, the director of Chongqing Sanxia Paints Co., Ltd (a company listed on the Shenzhen Stock Exchange of the PRC, stock code: 000565) from June 2001 to March 2007, the president and director of Chongqing Chemical And Pharmaceutical Holding (Group) Company from November 2003 to June 2006, the deputy director of Chongqing State-owned Assets Supervision and Administration Commission from July 2006 to December 2008 as well as the deputy secretary-general of Chongqing Municipal People's Government from December 2008 to June 2009.

Mr. He Yong, aged 46, joined the Parent Group in 1984 and the Group in December 2002. Since July 2007, he has been an executive Director and the president of the Company. He is responsible for the overall management of our Company. Mr. He has over 20 years of experience in the automobile industry. He has been the general manager of Chongqing Heavy Vehicle Group and the chairman and general manager of Chongqing Hongyan Motor Co. Ltd. since 2005 in charge of the companies' operations, planning, human resources, heavy vehicles manufacturing and sales. Mr. He had been involved in the management of Chongqing Heavy Vehicle Group and Chongqing Hongyan Motor Co. Ltd. as a deputy manager since 2000 and 2003, respectively, in charge of infrastructure, technological improvements, logistics and management of retired staff. Between 1998 and 2000, he was the deputy manager of Sichuan Truck Plant, the predecessor of Chongqing Heavy Vehicle Group. He is a senior engineer who graduated from Hunan University with a bachelor's degree in civil engineering in 1984 and received a master's degree in business administration from Chongqing University in 2006.

Mr. Liao Shaohua, aged 46, joined the Parent Group and the Group in May 1988. Since July 2007, he has been an executive Director and a vice president of the Company. Mr. Liao is responsible for supervising the production and logistics operations of the Company. Mr. Liao has over 20 years of experience in the machine tools industry. Mr. Liao has been the chairman and general manager of Chongqing Machine Tools since December 2005 in charge of board matters, production of machine tools, general management, legal and audit matters. He was also a director of the Parent Group from 2002 to 2007, taking part in major decisions of the board, and was the plant manager of Chongqing Machine Tools Plant Co., Ltd. (the predecessor of Chongqing Machine Tools) from 1998 to 2005 in charge of production of machine tools, general management, legal and audit matters. Mr. Liao is a professor-level senior engineer. He graduated from Chongqing University with a bachelor's degree in automobile manufacture in 1985 and a master's degree in mechanics in 1988. He also obtained his PRC machinery industry senior professional manager qualification in 2005. He has been a deputy director of China Machine Tool Industry Association since 1999 and an expert judge for National Science and Technology Awards since 2008.

Mr. Chen Xianzheng, aged 55, joined the Parent Group in August 1976 and joined the Group in December 2001. Since July 2007, he has been an executive Director of the Company and the secretary to the Board responsible for handling all matters of the Board. Mr. Chen has over 20 years of experience in business management. From July 2006 to July 2007, he was the head of the securities department of the Parent Group, in charge of the listing of the Company. Mr. Chen was the department chief of the asset management department and the enterprise reform department of the Parent Company from 2000 to July 2006 in charge of asset management, reorganization and merger, and general management matters. He worked for the state-managed Jianan Machinery Factory from 1976 to 2000 and was the deputy plant manager from 1995 to 2000 in charge of operations, research and development, restructuring, management and legal matters. Mr. Chen is a senior economist who graduated from the Party School of Chengdu Municipal Commission with a college degree in 1986.

Save as disclosed above, Mr. Xie Hua Jun, Mr. He Yong, Mr. Liao Shaohua and Mr. Chen Xianzheng have not held any directorships in any other listed public companies and other major appointments and qualifications during the last three years. Other than the directorship in the Company and various subsidiaries of the Company disclosed above, Mr. Xie Hua Jun, Mr. He Yong, Mr. Liao Shaohua and Mr. Chen Xianzheng do not hold other positions with the Company or other members of the Group.

Save as disclosed above, Mr. Xie Hua Jun, Mr. He Yong, Mr. Liao Shaohua and Mr. Chen Xianzheng do not have any relationship with any director, senior management or substantial or controlling shareholder of the Company nor had any of them any interests in the shares of the Company within the meaning of Part XV of the SFO as at the date hereof. As at the date hereof, Mr. Xie Hua Jun, Mr. He Yong, Mr. Liao Shaohua and Mr. Chen Xianzheng do not hold Shares in the Company.

The Board is not aware of any other matters in relation to the appointment of Mr. Xie Hua Jun, Mr. He Yong, Mr. Liao Shaohua and Mr. Chen Xianzheng as an executive Director that needs to be brought to the attention of the Shareholders, nor is there any information that need to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Huang Yong, aged 47, joined the Parent Group in July 1984 and the Group in 2004. Since July 2007, he has been a non-executive Director of the Company. Mr. Huang has over 20 years of experience in the automobile industry. Mr. Huang has been a director and the president of the Parent Group since 2004 in charge of operations, automobile financing business and investments. Mr. Huang was the vice chairman and general manager of Chongqing Hongyan Motor Co. Ltd. from 2003 to 2004 in charge of marketing, technology development and management. Since 2000, Mr. Huang has been involved in the management of Chongqing Heavy Vehicle Group and was the general manager and thereafter the chairman of Chongqing Heavy Vehicle Group in charge of technology development, qualitative management and planning. From 1996 to 2000, Mr. Huang was the deputy plant manager of Sichuan Automobile Manufacturing Plant, and from 1984 to 1996, he worked in Sichuan Automobile Manufacturing Plant. Mr. Huang is a senior engineer who graduated from Hunan University with a bachelor's degree in automobile manufacturing in 1984. He obtained his master's degree in engineering from Chongqing University in 2000.

Mr. Yu Gang, aged 45, joined the Parent Group in October 2003 and the Group in July 2007. Since July 2007, he has been a non-executive Director of the Company. Mr. Yu has been a director and the managing vice president of the Parent Group since 2003. Mr. Yu has over 20 years of experience in the government service and the management of large enterprises. Prior to joining the Company, Mr. Yu was the deputy mayor of Jiangjin Municipal Government from 2001 to 2003 in charge of industrial development of the municipality, the assistant to the mayor of Jiangjin Municipal Government and the section chief of Economic Committee and the minister of the Industry and Transportation Department from 1997 to 2001 in charge of the industrial and economic development of the municipality. Between 1989 and 1997, he was an officer in the Chongqing Municipality Industrial Transportation Department in charge of human resources management, and an officer in the Chongqing Machinery School from 1984 to 1989. Mr. Yu is a senior engineer who graduated from Chongqing Machinery Manufacturing School with a professional degree in machinery engineering in 1984 and from Chongqing Party School in 1997. He also graduated from Southwest Normal School with a master's degree in business management in 2002. He is currently attending an EMBA course in Xiamen University.

Mr. Liu Liangcai, aged 57, is currently the party committee secretary and chairman of the Supervisory Committee of Chongqing Yufu Assets Management Co., Ltd in charge of corporate internal risk control and performance assessment for Directors and senior management of the Company. Mr. Liu worked in large state-owned enterprises in Chongqing City for 15 years and served as party and government cadet, scientific technology cadet and performed corporate leadership management of the Chongqing municipal government organization department for 15 years. He was the vice secretary of the Enterprises Union Department of the Committee of Chongqing City since May 2005 and the vice secretary of the Communist Party Committee of SASAC of Chongqing City since September 2003 in charge of the establishment of management for state-owned enterprises, establishment of governance structure for corporate legal persons, management of supervisory committees of state-owned enterprises and human resources management of municipal branches of SASAC etc. Mr. Liu is a senior political scientist who graduated from Sichuan Broadcasting and Television University with a bachelor's degree in Language in 1985 and the Party College of Sichuan Province Committee with a bachelor's degree in economic management in June 1992. He had completed the post-graduation study in "Regional economic development and technology innovation" from the Southwest Teacher's School in June 2000.

Mr. Yang Jingpu, aged 54, joined the Company in August 2007 and has been a nonexecutive Director of the Company since then. Mr. Yang is currently the chairman and general manager of Jiangong Group in charge of board matters, strategic planning and investment. Mr. Yang has over 15 years of experience in managing large enterprises. Mr. Yang was the general manager of Chongqing Coal Group from 2004 to 2007 responsible for general management and was the deputy director of Chongqing City Coal Industrial Bureau from 2001 to 2004 in charge of restructuring and reformation, operational and administrative management. From 1992 to 2001, Mr. Yang was the deputy director and thereafter, director of Chongqing City Songzao Mining Bureau in charge of coal production, safety, sales and finance. Mr. Yang is a senior economist and a senior engineer. He graduated from Jiaozuo Coal Academy with a bachelor's degree in industrial management engineering in 1988 and a master's degree in mining engineering from Chinese University of Mining and Technology in 2001.

Save as disclosed above, Mr. Huang Yong, Mr. Yu Gang, Mr. Yang Jingpu and Mr. Liu Liangcai have not held any directorships in any other listed public companies and other major appointments and qualifications during the last three years. Other than the directorship in the Company and various subsidiaries of the Company disclosed above, Mr. Huang Yong, Mr. Yu Gang, Mr. Yang Jingpu and Mr. Liu Liangcai do not hold other positions with the Company or other members of the Group.

Save as disclosed above, Mr. Huang Yong, Mr. Yu Gang, Mr. Yang Jingpu and Mr. Liu Liangcai do not have any relationship with any director, senior management or substantial or controlling shareholder of the Company nor had any of them any interests in the Shares of the Company within the meaning of Part XV of the SFO as at the date hereof. As at the date hereof, Mr. Huang Yong, Mr. Yu Gang, Mr. Yang Jingpu and Mr. Liu Liangcai do not hold Shares in the Company.

The Board is not aware of any other matters in relation to the appointment of Mr. Huang Yong, Mr. Yu Gang, Mr. Yang Jingpu and Mr. Liu Liangcai as a non-executive Director that needs to be brought to the attention of the Shareholders, nor is there any information that need to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Independent Non-executive Directors

Mr. Lo Wah Wai, aged 46, joined the Company in January 2008 and has been an independent non-executive Director of our Company and the chairman of the Company's audit committee since January 2008. He had more than eight years of experience in auditing and business consulting services in an international accounting firm, two years of which were spent in the U.S. Mr. Lo was an independent non-executive director of Far East Pharmaceutical Technology Limited (Stock Code: 399) in September 2004, a company listed on the Main Board of the Stock Exchange whose subsidiaries are principally engaged in the manufacturing and distribution of pharmaceutical products. A petition was filed on September 15, 2004 to wind up Far East Pharmaceutical Technology Limited in respect of the default of a syndicated bank loan and since then, liquidators have been appointed. Mr. Lo was not involved in the arrangement of the syndicated bank loan and his appointment was made after the said default had occurred. Mr. Lo is also an independent non-executive director of Sino-Tech International Holdings Limited (Stock Code: 724) (formerly known as Semtech International Holdings Limited), a company listed on the Main Board of the Stock Exchange since September 2004 and engaged in the manufacture and sale of electronic and electrical parts and components and cigarette lighters. He is a practicing member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Lo graduated from The Chinese University of Hong Kong with a bachelor's degree in business administration in 1986 and New Jersey Institute of Technology, the U.S. with a master's degree in science in 1992.

Mr. Ren Xiaochang, aged 53, joined the Company in July 2007 and has been an independent non-executive Director of the Company since then. Mr. Ren has over 30 years of experience in the automobile industry. Mr. Ren has been with Chongqing Research Institute of Automobile (renamed as China Automotive Engineering Research Institute) since 1982 and is currently the superintendent and a researcher of it in charge of operational management, strategic planning, human resources and asset management. Mr. Ren is also currently an independent director of China Chang'an Automobile Group Co., Ltd. in charge of matters relating to the board. Mr. Ren graduated from Hunan University with a bachelor's degree in engineering studies in 1982 and the Management School of Wuhan University of Technology with a master's degree in business administration in 2004.

Mr. Kong Weiliang, aged 63, joined the Company in July 2007 and has been an independent non-executive Director of the Company since then. Mr. Kong has nearly 40 years of experience in the sensors industry. Mr. Kong was the chairman of China Silian Sensors Group Corporation Limited from 2001 to March 2007 in charge of matters relating to the board. From 1997 to 2000, Mr. Kong was the vice chairman and the general manager of China Silian Sensors Group Corporation Limited in charge of operations. Prior to that, Mr. Kong was the Deputy Secretary of the Party Committee and Secretary of the Communist Party's Disciplinary Committee of China Silian Sensors Group Corporation Limited from 1993 to 1996 in charge of party matters, human resources and labor relations. Before joining China Silian Sensors Group Corporation Limited, Mr. Kong worked in the Sichuan Sensors Head Factory which is subordinated to China Silian Sensors Group Corporation Limited from 1990 to 1993 as assistant to the factory manager and assistant to factory manager in charge of human resources and in the Sichuan Sensors Fourteenth Factory from 1967 to 1990. Mr. Kong is a senior economist with a college degree in business management from Hefei University of Technology in 1985.

Save as disclosed above, Mr. Lo Wah Wai, Mr. Ren Xiaochang and Mr. Kong Weiliang have not held any directorships in any other listed public companies and other major appointments and qualifications during the last three years. Other than the directorship in the Company and various subsidiaries of the Company disclosed above, Mr. Lo Wah Wai, Mr. Ren Xiaochang and Mr. Kong Weiliang do not hold other positions with the Company or other members of the Group.

Save as disclosed above, Mr. Lo Wah Wai, Mr. Ren Xiaochang and Mr. Kong Weiliang do not have any relationship with any director, senior management or substantial or controlling shareholder of the Company, nor had any of them any interests in the share of the Company within the meaning of Part XV of the SFO as at the date hereof. As at the date hereof, Mr. Lo Wah Wai, Mr. Ren Xiaochang and Mr. Kong Weiliang do not hold Shares in the Company.

The Board is not aware of any other matters in relation to the appointment of Mr. Lo Wah Wai, Mr. Ren Xiaochang and Mr. Kong Weiliang as an independent non-executive Director that needs to be brought to the attention of the Shareholders, nor is there any information that need to be disclosed by the Company pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Supervisors

Mr. Duan Rongsheng, aged 58, joined the Parent Group in June 1984 and the Company in July 2007. Since then, he has been a Supervisor of the Company and the chairman of the Supervisory Committee. Mr. Duan is currently a director and deputy party committee secretary of the Parent Group in charge of the Parent Group's party matters, disciplinary supervision and enterprise culture. From September 2000 to March 2009, he served as a deputy chairman in Chongqing Wanli Storage Batteries Co., Ltd.. From 1988 to 2000, Mr. Duan was the deputy department chief and thereafter the department chief of the human resources department of Chongqing Machinery and Industrial Management Bureau. Mr. Duan is a senior economist who graduated from the Central Party School with a bachelor's degree in business management in 1988 and from Southwest Normal School with a master's degree in business management in 2000.

Ms. Liao Rong, aged 52, has been a supervisor of the Company since 31 August 2009. She was awarded a bachelor degree in Economic Management by the Party College of Sichuan Province Committee of CCP (中共四川省委黨校) in July 1996. Ms. Liao is a senior economist and has over 20 years of experience in corporate management. Ms. Liao severed as the deputy general manager of Chongqing office of China Huarong Asset Management Co., Ltd. in May 2008. Ms. Liao graduated from the School of Finance and Trading in Chongqing (重慶財貿學校) with a degree in Banking in August 1980 and graduated from the department of Finance and Business of Sichuan Broadcasting and Television University in July 1986. From September 1983 to February 2000, she worked at the Wan Sheng sub branch of Chongqing branch (重慶市分行萬盛區支行) of the Industrial and Commercial Bank of China, during which she served as the department head of the credit department (信貸科科長), assistant to the governor (行長助理), vice governor (副行長) and secretary of commission for discipline inspection. From March 2000 to May 2008, she worked at the Chongqing office of China Huarong Asset Management Co., Ltd. (中國華融資產管理公司重慶辦事處), during which she served as the senior deputy manager, the senior manager of the general department (綜合部高級經理), senior manager of operation department, senior manager of claim department as well as the senior manager of business department.

Ms. Wang Rongxue, aged 64, joined the Company in July 2007 and has been an independent Supervisor of the Company since then. Prior to her retirement, Ms. Wang was the chairman to the state-owned enterprise supervisory board of the Chongqing Municipal People's Government and the assistant inspector of the Chongqing City Economic Committee of the Chongqing Bureau of Metallurgical Industry. From 2000 to 2007, she was responsible for supervising Chongqing Jiangong Group, Chongqing Gongcheng Jianshe Co., Ltd, Chongqing Chengshi Jianshe Investment Co., Ltd., Chongqing Ranqi Group, Chongqing Zhaobiao Group, Chongqing Huayi Group and Chongqing Liangyou Group. Ms. Wang joined the Chongqing Bureau of Metallurgical Industry in 1978 and was responsible for the education of industry participants and was the section chief of the cadre administration department from 1990 to 2000 in charge of human resources. Ms. Wang graduated from Chongqing University with a college degree in metallurgy in 1970.

Mr. Liu Xing, aged 53, is the head, accounting professor and tutor of doctoral graduates of the Economy, Industry and Business Management Institute of Chongqing University. He obtained a bachelor's degree in engineering studies from Chongqing University in 1983, joined the China - Canada Joint Postgraduate Training Project (中國—加拿大聯合培養研究生項目) and obtained a master's degree in management from Xi'an Jiaotong University in 1987 and obtained a doctor's degree in management from Chongqing University in 1997. In 1991-1992, 1996 and 2000, he engaged in international cooperation and research projects of City University of Hong Kong and The Chinese University of Hong Kong or served as visiting scholar and professor, and participated in academic interviews or academic exchanges in countries such as the U.S. and Canada respectively.

Mr. Liu Xing is currently a council member of Accounting Society of China (中國會計學會), the standing council member of the education division of Accounting Society of China, the vice president of the Accounting Society of Chongqing (重慶市會計學副會長), the president of College Accounting Society of Chongqing (重慶市高校會計學會), a non-practiced certified public accountant in the PRC, the deputy secretary-general of Chongqing Association Of Chief Financial Officer (重慶市總會計師協會) and the standing council member of Chongqing Institute of Certified Public Accountants (重慶市註冊會計師協會). He is also currently an independent director of Chongqing Iron & Steel Company Limited (stock code: 1053), Chongqing Three Gorges Water Conservancy and Electric Power Co. Ltd. (stock code: 600116), Chongqing Gangjiu Co., Ltd. (stock code: 600729) and Chongqing Huapont Pharm Co., Ltd. (stock code: 002004), all of which are listed companies.

Mr. Wang Xuqi, aged 57, joined the Parent Group and the Group in December 1976. Since July 2007, he has been a Supervisor of the Company. Mr. Wang has 30 years of experience in nonferrous metal refining. Since 2002, Mr. Wang has also been the chairman and general manager of Huahao Smelting in charge of matters relating to the board, operational management, administrative matters, finance and marketing. Mr. Wang is a director of the Parent Group and has been the chairman and general manager of Chongqing Smelter (Group) Corporation Limited since 1998 in charge of matters relating to the board, operational management, administrative matters, finance and marketing. He has been the deputy general manager of Chongqing Smelter Factory since 1993 in charge of human resources and enterprise management. Mr. Wang has been involved in the management of Chongqing Smelter Factory since 1987. Mr. Wang graduated from Chongqing Normal School with a bachelor's degree in Chinese language in 1987 and from Asia International Open University in Macau with a master's degree in business management in 2004.

Mr. Chen Qing, aged 54, joined the Parent Group and the Group in June 1985 and is currently the chairman of Chongqing General Industry (Group) Co., Ltd. in charge of relevant Board matters, and the general manager of Pump Company in charge of operational management, administrative matters, finance and marketing. Mr. Chen has over 20 years of experience in the pump research and development and manufacturing industry. From September 2002 to September 2007, Mr. Chen was the general manager of Chongqing Pump Industry Co., Ltd.. From June 1985 to September 2002, he was the deputy department chief, deputy plant manager and plant manager of Chongqing Pump Plant. From August 1982 to June 1985, he worked in the Guizhou Mountain Land Agricultural Machinery Research Institute (貴州山地農機研究所). From June 1978 to September 1978, he worked in the Chongqing Architectural Design Institute. From January 1976 to May 1978, he served in the Chinese People's Liberation Army. Mr. Chen has been a senior engineer since August 1995 who graduated from Huazhong Gong Xue Yuan with a bachelor's degree in engineering, majoring in hydro power in August 1982. He completed the Senior Management Programme of the School of Economics and Management of Tsinghua University from February 1995 to July 1995.

Save as disclosed above, as at the date hereof, each of Mr. Duan Rongsheng, Ms. Liao Rong, Ms. Wang Rongxue, Mr. Liu Xing, Mr. Wang Xuqi and Mr. Chen Qing does not hold any directorship or Supervisorship in any listed company in the past three years, nor do any of them hold any other position in the Group. In addition, none of them have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at the date hereof, none of them has any investor in the shares of the Company with the meaning of Part XV of SFO. The Board is not aware of any matters that need to be brought to the attention of the Shareholders, nor is there any information required to be disclosed under Rule 13.51(2)(h) to (v) of the Listing Rules.

Declaration and payment of a final dividend of RMB0.06 per share (before tax) for the year ended 31 December 2009 have been approved at the AGM. The final dividend will be paid on or around 31 July 2010 to those shareholders whose names appear on the H Share registrar of the Company on 15 June 2010.

Pursuant to the Corporate Income Tax Law of the PRC and its implementing regulations which took effect on 1 January 2008, the tax rate of the corporate income tax applicable to the income of non-resident enterprise deriving from the PRC is 10%. Therefore, the Company will distribute the final dividend to non-resident enterprise shareholders whose name appear on the H Share registrar of the Company on 15 June 2010, subject to a deduction of 10% corporate income tax withheld and paid by the Company on their behalf.

Cheques will be despatched to holders of H shares who are entitled to receive such dividend by ordinary post at the holders' risk on or around 31 July 2010 by the Company's H share registrar, Computershare Hong Kong Investor Services Limited, and dividends will be paid in Hong Kong dollars. RMB will be converted to Hong Kong dollars based on the average currency rates prevailing week (being 8 June and 14 June 2010) before the date of dividend declaration as announced by the People's Bank of China (RMB0.875380 = HK\$1.00). The dividend payable to each H Share is HK\$0.068542.

By Order of the Board
Chongqing Machinery & Electric Co., Ltd.*
Chen Xianzheng
Executive Director

Chongqing, the PRC
15 June 2010

As at the date of this announcement, the executive Directors are Mr. Xie Hua Jun, 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. Liu Liangcai; and the independent non-executive Directors are Mr. Lo Wah Wai, Mr. Ren Xiaochang and Mr. Kong Weiliang.

* *For identification purposes only*