

Resolution Announcement of the 5th Session of the 6th Board Meeting of Shanghai Mechanical & Electrical Industry Co., Ltd.

The Notice of the 5th Session of the 6th Board Meeting was sent in written form to directors and supervisors on October 15th, 2009. The Meeting was convened at the Company's conference room on October 21st, 2009 with all 11 directors participating. Presided over by Chairman Xu Jianguo and attended by the supervisors and other relevant personnel. The Meeting was in accordance with the related laws, rules, regulations and articles of association. Supervisors and related persons attended the meeting. The following were reviewed and approved at the meeting:

1. The company's third quarter report in 2009;
2. The Proposal on Revising the Plan of Increasing Capital to Akiyama International Co., Ltd.;

The 2nd session of the 6th board meeting of Shanghai M & E approved that Shanghai Electric Group Printing and Packaging Machinery Co., Ltd. and Shanghai Electric International Economic & Trade Co., Ltd. will increase capital to Japan Akiyama International Co., Ltd. at the same ratio, both parties to increase 100 million Yuan, and the investment ratio maintaining at 50% for each party.

According to the current circumstances, the following adjustments will be made: Shanghai Electric (Group) Corporation will increase capital of 2.7 billion yen (200 million Yuan in conversion) to Japan Akiyama International Co., Ltd.. After capital increase, Akiyama International's registered capital will increase to 3.75 billion yen. Akiyama International's shareholders have agreed that the new shareholding ratio will be changed to: new shareholder Shanghai Electric (Group) Corporation will hold 90% of its shares; Shanghai Electric Group Printing and Packaging Machinery Co., Ltd. and Shanghai Electric International Economic & Trade Co., Ltd. will each hold 5%.

The board directors related to the proposed transaction, Mr. Xu Jianguo, Mr. Liu Zhenduo, and Mr. Ye Fucui abstained from voting.

3. The Proposal on Transferring Shanghai Shen Wei Da Machinery Co., Ltd. Plastic Machinery Factory's Premises.

Shen Wei Da Plastic Machinery Factory's premises and its ancillary facilities and equipment are assessed at 27,251,201.05 Yuan. Shen Wei Da will transfer it to Shanghai Electric (Group) Corporation at the assessed price.

The board directors related to the proposed transaction, Mr. Xu Jianguo, Mr. Liu Zhenduo, and Mr. Ye Fucui abstained from voting.

The proposals were approved by all the board directors participated in the voting. The proposals were passed.

All the matters above are announced hereby.

The Board of Directors of Shanghai Mechanical & Electrical Industry Co., Ltd.
October 24th, 2009