

The Resolution Announcement of the 7th Session of the 6th Board Meeting & the Notice of 2009 Shareholders Meeting for Shanghai Mechanical & Electrical Industry Co., Ltd.

The company's board of directors and all the directors guarantee that the report do not have any false records, misleading statement or significant omission, and individually and collectively undertake the responsibility for the correctness, accuracy and completeness of its content.

The notice of the Company's 7th session of the 6th board meeting was served to directors and supervisors in writing on March 30th, 2010. The meeting was convened on April 7th, 2010 at the Company's conference room, with 10 out of 11 directors attending. Chairman Mr. Xu Jianguo was on a business trip and authorized Vice Chairman Mr. Zhu Bin to attend the meeting and exercise voting rights on his behalf. Presided over by Vice Chairman Mr. Zhu Bin and attended by the supervisors and other relevant personnel, the meeting accorded with the related laws, rules, regulations and articles of association. The following resolutions were reviewed and approved during the meeting:

- I. 2009 Annual Report and Abstract;
- II. 2009 Work Report by Board of Directors;
- III. 2009 Work Report by General Manager;
- IV. 2009 Financial Final Accounts Report;
- V. 2009 Proposals of Profits Distribution;

Based on the Company's total 2009 year-end capital stock of 1,022,739,308 shares, for every 10 shares, the Company distributes RMB 1 (after-tax) dividend to each shareholder. The total is RMB 102,273,930.80.

- VI. Self-evaluation Report on the Company's Internal Control;
- VII. Report on the Company's Social Responsibilities Performance;
- VIII. Review of Proposal of Renewing the Engagement of Anyong-Huaming Accounting Firm as the Company's Auditor in 2010;
- IX. Proposal on the Company and its subsidiary companies' loans and security in 2010
The Company will provide additional security amount of 23 million yuan to Shanghai Cimic Welding Consumables Co., Ltd. in 2010.
- X. The Company's investigation system on significant errors in information disclosure;
- XI. Approval of Shanghai Guanghua Printing Machinery Co., Ltd. to sell its 100% equity of Wuxi Guanghua Printing Machinery Co., Ltd. at the listed price of no less than 22,850,000 yuan;
- XII. Approval of Shanghai Welding Equipment Co. Ltd. to sell its 100% equity of China South Africa Welding Materials Co., Ltd. at the listed price of no less than 6,757,300 yuan;

XIII. Approval of the Company to auction off its real estate at Room 305 and Room 306, Building 5, No. 599 Ningxi Road, Xiangzhou District, Zhuhai at the price of no less than 381,900 yuan.

XIV. Proposal of convening the Company's 2009 Shareholders Meeting.

2009 Annual Report and Abstract, 2009 Work Report by Board of Directors, 2009 Financial Final Accounts Report, 2009 Proposals of Profits Distribution, and Proposal of Renewing the Engagement of Anyong-Huaming Accounting Firm as the Company's Auditor in 2010 approved by the Company's 7th session of the 6th board meeting and 2009 Work Report by Board of Supervisors approved by the Company's 4th session of the 6th board meeting of supervisors shall be submitted for approval at the Company's 2009 Shareholders Meeting.

All the above proposals were approved by the director participants. The proposals are passed.

The Company's Board of directors decided to hold its 2009 Shareholders Meeting at the Small Auditorium of Xing guo Hotel, Shanghai (No. 78, Xingguo Rd., Shanghai) at 9:00 am, May 28th, 2010.

(I) Contents:

1. Review of 2009 Annual Report and Abstract;
- II. Review of 2009 Work Report by Board of Directors;
- III. Review of 2009 Work Report by Board of Supervisors;
- IV. Review of 2009 Financial Final Accounts Report;
- V. Review of 2009 Proposals of Profits Distribution;
- VIII. Review of Proposal of Renewing the Engagement of Anyong-Huaming Accounting Firm as the Company's Auditor in 2010;

(II) Participants:

1. The Company's directors, supervisors and other senior managers;
2. The Company's A-shareholders and their agents which remained registered at China Securities Central Depository and Clearing Corp. (Shanghai Branch) after the trade of May 18th, 2010, as well as its B-shareholders and their agents of the kind after the trade of May 21st, 2010 (The final trading date of B-shares is May 18th, 2010).

(III) Registration:

All shareholders to participate in the Meeting need to go through registration formalities with shareholder account, ID card and share-holding voucher (and also letter of authorization and ID card, if agents) at 9F, Huishang Building, No. 1286 Minsheng Road., Pudong New District, Shanghai on May 25th, 2010 (9:00-16:00). Those outside Shanghai may register through letter or fax by (or on) May 26th, 2008 on the basis of the arrival time of letter or fax.

(IV) Others:

- (1) Participants will pay for the expense of room, board and transportation
- (2) Contact Address: Company's Securities Business Department, 9F, Huishang Building, No.1286 Minsheng Road, Pudong New Area, Shanghai

Postcode: 200135

Fax: (021) - 68547550 Tel: 68546835 68546925

Contact: Xin Huihua Zhu Jun

All the matters above are announced hereby.

The Board of Directors of
Shanghai Mechanical &
Electrical Industry Co., Ltd.
April 9th, 2010

Attached: written authorization

Written authorization

I hereby authorize Mr/Ms _____ to attend the 2009
Shareholders' Meeting and vote on my behalf.

Signature of trustor: ID card number:

Shared held: Shareholder account number:

Signature of agent: ID card number:

Date: