

This announcement is for information purposes only and does not constitute an invitation or offer by any person to acquire, purchase or subscribe for securities. Potential investors should read the prospectus of China Machinery Engineering Corporation (the “Company”) dated December 11, 2012 (the “Prospectus”) for detailed information about the Global Offering described below before deciding whether or not to invest in the H Shares thereby being offered.

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Unless otherwise defined in this announcement, terms defined in the Prospectus have the same meanings when used in this announcement.



中國機械設備工程股份有限公司
China Machinery Engineering Corporation*

(a joint stock limited company incorporated in the People’s Republic of China with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 718,000,000 H Shares (subject to adjustment and the Over-allotment Option)
Number of Hong Kong Offer Shares	: 71,800,000 H Shares (subject to adjustment)
Number of International Offer Shares	: 646,200,000 H Shares (subject to adjustment and the Over-allotment Option)
Maximum Offer Price	: HK\$5.40 per H Share, plus brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund on final pricing)
Nominal value	: RMB1.00 per H Share
Stock code	: 1829

Sole Global Coordinator and Sole Sponsor



BOC INTERNATIONAL

Joint Bookrunners and Joint Lead Managers



BOC INTERNATIONAL



ICBC 工银国际



CIMB



農銀國際
ABC INTERNATIONAL

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, (i) the H Shares to be issued pursuant to the Global Offering (including any additional H Shares which may be issued and allotted by the Company pursuant to the exercise of the Over-allotment Option); and (ii) the H Shares which will be converted from Domestic Shares and transferred to NSSF. Dealings in the H Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Friday, December 21, 2012. The H Shares will be traded in board lots of 1,000 H Shares each. In the event the Over-allotment Option is exercised, an announcement will be made by the Company which will be posted on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.cmec.com).

The Offer Price will not be more than HK\$5.40 per H Share and is expected to be not less than HK\$4.10 per H Share unless otherwise announced, not later than on the morning of the last day for lodging applications under the Hong Kong Public Offering.

Application for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions of the Prospectus and the related Application Forms.

The Company is initially offering 646,200,000 H Shares (subject to adjustment and before exercise of the Over-allotment Option) under the International Offering and 71,800,000 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 90% and 10%, respectively, of the total number of Offer Shares initially available under the Global Offering. In connection with the Global Offering, the Joint Bookrunners on behalf of the International Underwriters have an option to require the Company to issue and allot up to an aggregate of 107,700,000 additional Offer Shares, representing approximately 15% of the initial Offer Shares to be offered in the Global Offering.

Applicants who wish the Hong Kong Offer Shares to be allotted in their own names should (i) complete and sign the **WHITE** Application Forms; or (ii) submit applications online through the designated website of the **White Form eIPO** Service Provider at www.eipo.com.hk under the **White Form eIPO** service. Applicants who wish to have the Hong Kong Offer Shares allotted in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants should (i) complete and sign the **YELLOW** Application Forms; or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, December 11, 2012 until 12:00 noon on Friday, December 14, 2012 from any of the following addresses of the Hong Kong Underwriters:

BOCI Asia Limited

26th Floor, Bank of China Tower
1 Garden Road
Central
Hong Kong

ICBC International Securities Limited

37/F, ICBC Tower
3 Garden Road
Hong Kong

CIMB Securities Limited
Units 7706-08, Level 77
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

ABCI Securities Company Limited
Room 701, 7/F
One Pacific Place
88 Queensway
Hong Kong

(a) or any of the following branches of **Bank of China (Hong Kong) Limited**:

	Branch Name	Branch Address
Hong Kong Island	Bank of China Tower Branch	3/F, 1 Garden Road
	Sheung Wan Branch	252 Des Voeux Road Central
Kowloon	Humphrey's Avenue Branch	4-4A Humphrey's Avenue, Tsim Sha Tsui
	Whampoa Garden Branch	Shop G8B, Site 1, Whampoa Garden, Hung Hom
	Cheung Sha Wan Plaza Branch	Shop G08, Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road
	East Point City Branch	Shop 101, East Point City, Tseung Kwan O

(b) or any of the following branches of **Industrial and Commercial Bank of China (Asia) Limited**:

	Branch Name	Branch Address
Hong Kong Island	Central Branch	1/F., 9 Queen's Road Central
	Wan Chai Road Branch	G/F Times Media Centre, No.133 Wanchai Road
	Causeway Bay Branch	Shop A, G/F, Jardine Center, 50 Jardine's Bazaar, Causeway Bay
Kowloon	Mongkok Branch	G/F., Belgian Bank Building, 721-725 Nathan Road, Mongkok
	Kwun Tong Branch	Shop 5 & 6, 1/F, Crocodile Center, 79 Hoi Yuen Road, Kwun Tong
New Territories	Tsuen Wan Castle Peak Road Branch	G/F., 423-427 Castle Peak Road, Tsuen Wan

Copies of the Prospectus, together with the **YELLOW** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, December 11, 2012 until 12:00 noon on Friday, December 14, 2012 at the Depository Counter of HKSCC at 2nd Floor, Infinitus Plaza, 199 Des Voeux Road, Central, Hong Kong or your stockbroker, who may have **YELLOW** Application Forms and Prospectus available.

Applicants applying by **White Form eIPO** may submit application to the designated **White Form eIPO** Service Provider through the designated website www.eipo.com.hk from 9:00 a.m. on Tuesday, December 11, 2012 until 11:30 a.m. on Friday, December 14, 2012 or such later time as described under the section headed “How to Apply for Hong Kong Offer Shares – 7. When May Applications Be Made – (e) Effects of Bad Weather Conditions on the Opening of the Application Lists” in the Prospectus (24 hours daily, except on the last application day).

CCASS Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, December 11, 2012 until 12:00 noon on Friday, December 14, 2012.

Please refer to the sections headed “Structure of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in the Prospectus for details of the conditions and procedures of the Hong Kong Public Offering.

The Company expects to announce the Offer Price, the general level of indication of interest in the International Offering, the basis of allotment and the level of applications under the Hong Kong Public Offering on Thursday, December 20, 2012, in the South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) and on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.cmec.com. The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration certificate numbers of successful applicants under the Hong Kong Public Offering will be available in the manner described in the section headed “How to Apply for Hong Kong Offer Shares – 10. Results of Allocations” in the Prospectus.

The Company will not issue any temporary documents of title. No receipt will be issued for application monies paid. H Share certificates will only become valid certificates of title at 8:00 a.m. on Friday, December 21, 2012 provided that the Hong Kong Public Offering has become unconditional in all respects and the right of termination described in the section headed “Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Grounds for Termination” has not been exercised. The H Shares will be traded in board lots of 1,000 H Shares each under the stock code 1829.

Dealings in the H Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Friday, December 21, 2012.

By order of the Board
China Machinery Engineering Corporation
YANG Wansheng
Chairman

Hong Kong, December 11, 2012

As at the date of this announcement, the executive Directors are Mr. YANG Wansheng, Ms. LI Taifang and Mr. ZHANG Chun; the non-executive Directors are Mr. PAN Chongyi and Mr. WANG Zhian; and the independent non-executive Directors are Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. CHAN Kin Ho Philip.

*Please also refer to the published version of this announcement in the **South China Morning Post** (in English) and **Hong Kong Economic Times** (in Chinese).*

** For identification purposes only*