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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Machinery Engineering Corporation (the “Company”), you should at once hand this circular, together with the forms of proxy and reply slips, to the purchaser or transferee or to the bank, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

(Stock Code: 1829)

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
 - (2) PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD MEETINGS;**
 - (3) PROPOSED RE-APPOINTMENTS OR APPOINTMENTS OF DIRECTORS FOR THE THIRD SESSION OF BOARD;**
 - (4) PROPOSED RE-APPOINTMENTS OF SUPERVISORS FOR THE THIRD SESSION OF SUPERVISORY BOARD;**
 - (5) APPROVE AND AUTHORISE THE BOARD TO DETERMINE THE REMUNERATION PROPOSAL OF EACH OF THE DIRECTORS OF THE THIRD SESSION OF BOARD;**
- AND**
- (6) NOTICE OF 2018 SECOND EXTRAORDINARY GENERAL MEETING**

Capitalized terms used in the lower part of this cover page shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the Second EGM to be held at the Meeting Room, 3/F, DoubleTree by HILTON, No. 168 Guang’anmenwai Street, Beijing, the PRC on Monday, March 5, 2018 at 9:00 a.m. is set out on pages N-1 to N-3 of this circular.

If you do not intend to attend the Second EGM in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited, in case of H Shareholders, with the Company’s H share registrar Computershare Hong Kong Investor Services Limited at 17M, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, and in case of Domestic Shareholders, to the Company’s registered office address at The Office of the Board of Directors, No. 178 Guang’anmenwai Street, Beijing, the PRC, not later than 24 hours before the time appointed for holding the relevant meeting or its adjournment.

If you intend to attend the Second EGM in person or by proxy, you are required to complete and return the reply slip in accordance with the instructions printed thereon on or before Tuesday, February 13, 2018.

* For identification purposes only

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Articles of Association”	the articles of association adopted by the Company and as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“Company”	China Machinery Engineering Corporation* (中國機械設備工程股份有限公司), a company incorporated in the PRC with limited liability whose issued shares are listed on the Main Board of the Stock Exchange
“Company Law”	the Company Law in the PRC (中華人民共和國公司法), amended by the Standing Committee of the National People’s Congress on December 28, 2013 and which became effective on March 1, 2014, as amended, supplemented or otherwise modified from time to time
“Director(s)”	the director(s) of the Company
“Domestic Shareholders”	the holders of the Domestic Shares
“Domestic Shares”	ordinary shares in the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Group”	the Company and its subsidiaries
“H Shareholders”	the holders of the H Shares
“H Shares”	overseas listed foreign shares in the Company’s ordinary share capital with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INEDs”	independent non-executive Directors

DEFINITIONS

“Latest Practicable Date”	Friday, January 12, 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mandatory Provisions”	the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款), for inclusion in the articles of association of companies incorporated in the PRC to be listed overseas, promulgated by the former State Council Securities Commission and other PRC government departments on August 27, 1994, as amended, supplemented or otherwise modified from time to time
“PRC”	The People’s Republic of China
“Proposed Re-appointments or Appointments of Directors”	the proposed re-appointments or appointments of nine Directors for the third session of the Board for a term of office of three years commencing from the conclusion of the Second EGM
“Proposed Re-appointments of Supervisors”	the proposed re-appointments of two shareholder representative Supervisors for the third session of the Supervisory Board for a term of office of three years commencing from the conclusion of the Second EGM
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“Second EGM”	the 2018 second extraordinary general meeting of the Company to be held at the Meeting Room, 3/F, DoubleTree by HILTON, No. 168 Guang’anmenwai Street, Beijing, the PRC at 9:00 a.m. on Monday, March 5, 2018
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, including the Domestic Shares and H Shares
“Shareholder(s)”	the holder(s) of Share(s)

DEFINITIONS

“SINOMACH”	China National Machinery Industry Corporation* (中國機械工業集團有限公司), a state-owned enterprise established in the PRC on May 21, 1988, our controlling shareholder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Board”	the supervisory board of the Company

* *For identification purposes only*

LETTER FROM THE BOARD



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)

(Stock Code: 1829)

Executive Director:

Mr. ZHANG Chun

Non-executive Directors:

Mr. WANG Zhian

Mr. YU Benli

Mr. ZHANG Fusheng

Independent Non-executive Directors:

Mr. LIU Li

Ms. LIU Hongyu

Mr. FANG Yongzhong

Mr. WU Tak Lung

Registered office:

No. 178 Guang'anmenwai Street
Beijing, the PRC

Principal place of business

in Hong Kong:

Room 804, 8/F, Tower 1
South Sea Centre
75 Mody Road
Tsimshatsui East
Kowloon, Hong Kong

January 15, 2018

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
 - (2) PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD MEETINGS;
 - (3) PROPOSED RE-APPOINTMENTS OR APPOINTMENTS OF DIRECTORS FOR THE THIRD SESSION OF BOARD;
 - (4) PROPOSED RE-APPOINTMENTS OF SUPERVISORS FOR THE THIRD SESSION OF SUPERVISORY BOARD;
 - (5) APPROVE AND AUTHORISE THE BOARD TO DETERMINE THE REMUNERATION PROPOSAL OF EACH OF THE DIRECTORS OF THE THIRD SESSION OF BOARD;
- AND
- (6) NOTICE OF 2018 SECOND EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make informed decisions on whether to vote for or against the proposed ordinary resolutions and special resolution regarding the following matters at the Second EGM.

* For identification purposes only

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the Second EGM by the Company to approve the proposed amendments to the Articles of Association (the “**Proposed Amendments to the Articles of Association**”) in order to do housekeeping matters.

The Proposed Amendments to the Articles of Association shall be subject to all necessary approvals, authorisations or registrations (if applicable) to be obtained from or filed with the relevant governmental or regulatory authorities. Details of the Proposed Amendments to the Articles of Association are set out in Appendix I to this circular.

PROPOSED AMENDMENTS TO THE PROCEDURAL RULES OF THE BOARD MEETINGS

An ordinary resolution will be proposed at the Second EGM by the Company to approve the proposed amendments to the procedural rules of the Board meetings (the “**Proposed Amendments to the Procedural Rules**”) in order to do housekeeping matters. Details of the Proposed Amendments to the Procedural Rules are set out in Appendix II to this circular.

THE RE-APPOINTMENTS OR APPOINTMENTS OF DIRECTORS FOR THE THIRD SESSION OF THE BOARD

According to the Articles of Association, the term of office of the second session of the Board has expired on February 19, 2017.

In accordance with the relevant requirements of the Articles of Association, the Company Law and the Listing Rules, the Board proposed that the third session of the Board shall consist of nine Directors, including three executive Directors, two non-executive Directors and four INEDs. The Board proposed the re-appointment of Mr. ZHANG Chun and the appointments of Mr. HAN Xiaojun and Mr. ZHOU Yamin as executive Directors; the re-appointments of Mr. YU Benli and Mr. ZHANG Fusheng as non-executive Directors; and the re-appointments of Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung as INEDs for the third session of the Board.

According to Article 91 of the Articles of Association, the term of office of each of the Directors is three years. Under the Articles of Association, the re-appointment or appointment of Directors requires the approval by the Shareholders at a general meeting. Their terms of office shall commence from the conclusion of the Second EGM. Each Director shall be eligible for re-election by the Shareholders upon the end of the term. The third session of office shall commence on the date of the Second EGM and expire on March 4, 2021.

Pursuant to the relevant provisions of the Company Law and the Articles of Association, all Directors for the second session of the Board shall continue to perform their duties as Directors in accordance with applicable laws and regulations until the re-appointments or appointments of the members for the third session of the Board becoming effective upon the

LETTER FROM THE BOARD

conclusion of the Second EGM. Mr. WANG Zhian, Director for the second session of the Board, will cease to be Director after the members for the third session of the Board being re-appointed or appointed at the Second EGM.

Biographic details of each of the proposed Directors are set out in Appendix III to this circular in accordance with the relevant requirements under the Listing Rules.

Upon the approval and authorisation of the Shareholders at the Second EGM, (1) the Company will enter into a service contract and/or appointment letter with each of the Directors for the third session of the Board after their re-appointments or appointments are approved at the Second EGM; and (2) the Board will determine the remuneration of the Directors for the third session of the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee.

THE RE-APPOINTMENTS OF SUPERVISORS FOR THE THIRD SESSION OF THE SUPERVISORY BOARD

According to the Articles of Association, the term of office for the second session of the Supervisory Board has expired on February 19, 2017.

In accordance with the relevant requirements of the Articles of Association and the Company Law, the Supervisory Board proposed that the third session of the Supervisory Board shall consist of three Supervisors, including two shareholder representative Supervisors and one staff representative Supervisor. According to the Articles of Association, the proposed re-appointments of the two shareholder representative Supervisors are subject to the approval by the Shareholders at a general meeting, and the staff representative Supervisors shall be appointed by the employees of the Company in the employees' general meetings.

The Supervisory Board proposed the re-appointments of Mr. QUAN Huaqiang and Mr. QIAN Xiangdong as shareholder representative Supervisors for the third session of the Supervisory Board. The relevant proposals will be put forward to the Second EGM for the Shareholders' consideration and approval. If approved by the Shareholders at the Second EGM, the term of office of the shareholder representative Supervisors for the third session of the Supervisory Board will be three years commencing from the conclusion of the Second EGM.

As announced by the Company on January 12, 2018, Ms. LIU Ting has been appointed as the staff representative Supervisor for the third session of the Supervisory Board. Her term of office of the staff representative Supervisor will be three years commencing from the conclusion of the Second EGM.

Biographic details of each of the proposed Supervisors are set out in Appendix IV to this circular in accordance with the relevant requirements under the Listing Rules.

The Company will enter into a service contract and/or appointment letter with each of the shareholder representative Supervisors for the third session of the Supervisory Board after their appointments are approved at the Second EGM.

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APPROVE AND AUTHORISE THE BOARD TO DETERMINE THE REMUNERATION PROPOSAL OF EACH OF THE DIRECTORS OF THE THIRD SESSION OF BOARD

An ordinary resolution will be proposed at the Second EGM to approve and authorise the Board to determine the remuneration proposal of each of the Directors for the third session of the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee and to authorise the Board to enter into service contracts and/or appointment letters with each of the re-elected or elected Directors subject to such terms and conditions as the Board shall think fit and to do all such acts and things and handle all other related matters as necessary.

SECOND EGM

A notice convening the Second EGM to be held at the Meeting Room, 3/F, DoubleTree by HILTON, No. 168 Guang'anmenwai Street, Beijing, PRC, on Monday, March 5, 2018, at 9:00 a.m. is set out on pages N-1 to N-3 of this circular.

If you do not intend to attend the Second EGM in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. In order to be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited, in the case of H Shareholders, with the Company's H share registrar Computershare Hong Kong Investor Services Limited at 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in the case of Domestic Shareholders, to the Company's registered office address at The Office of the Board of Directors, No. 178 Guang'anmenwai Street, Beijing, the PRC, not later than 24 hours before the time appointed for holding the relevant meeting or its adjournment.

Completion and return of the form of proxy will not preclude you from attending and voting at the Second EGM or at its adjournment should you so wish.

The register of members of the Company will be closed from Saturday, February 3, 2018 to Monday, March 5, 2018, both days inclusive, during which period no transfer of the H Shares will be effected. In order to determine the list of Members who are qualified to attend and vote at the Second EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, February 2, 2018.

LETTER FROM THE BOARD

VOTING BY POLL AT SECOND EGM

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of the Shareholders at the general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all the resolutions will be taken by poll at the Second EGM pursuant to Article 72 of the Articles of Association.

RECOMMENDATION

The Directors consider that the proposed ordinary resolutions and special resolution mentioned above are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the ordinary resolutions and special resolution to be proposed at the Second EGM.

Yours faithfully,
For and on behalf of the Board of
China Machinery Engineering Corporation*
ZHOU Yamin
Secretary of the Board/Company Secretary

* *For identification purposes only*

The proposed amendments to the Articles of Association are set out as follows:

1. ARTICLE 69 OF THE ARTICLES OF ASSOCIATION

Currently read as follows:

“A shareholders’ general meeting shall be convened and presided over by the chairman of the Board. If the chairman of the Board cannot attend the meeting for any reason, the Board shall designate a director of the Company to convene and preside over the meeting. If no chairman of the meeting has been so designated, shareholders present shall choose one person to be chairman of the meeting. If for any reason the shareholders fail to elect a chairman, the shareholder (including his proxy) attending the meeting and holding the largest number of shares vested with voting rights shall be the chairman of the meeting.”

To be amended and read as follows:

“A shareholders’ general meeting shall be convened and presided over by the chairman of the Board. If the chairman of the Board cannot attend the meeting for any reason, the vice chairman of the Board (if any) shall convene and preside over the meeting. If the vice chairman of the Board (if any) cannot attend the meeting, the Board shall designate a director of the Company to convene and preside over the meeting. If no chairman of the meeting has been so designated, shareholders present shall choose one person to be chairman of the meeting. If for any reason the shareholders fail to elect a chairman, the shareholder (including his proxy) attending the meeting and holding the largest number of shares vested with voting rights shall be the chairman of the meeting.”

2. ARTICLE 97 OF THE ARTICLES OF ASSOCIATION

Currently read as follows:

“The Company shall establish a Board. The Board shall comprise 9 directors, including 4 independent directors. Independent directors may report the relevant state of affairs directly to the shareholders’ general meeting, the securities regulatory authorities of the State Council and other relevant departments.

The addition of directors shall be approved by special resolution in the shareholders’ general meeting. The number of independent directors shall, at all times, be no less than 4.

The Board shall have one chairman. The chairman of the Board shall be elected or removed by more than one half of all directors. The term of office of the chairman shall be 3 years and is renewable upon re-election.

A director is not required to hold any shares in the Company.

The number of persons holding office as chairman, vice chairman and executive directors of the controlling shareholder while also holding office as chairman and executive directors of the Company shall not exceed 2.”

To be amended and read as follows:

“The Company shall establish a Board. The Board shall comprise 9 directors, including 4 independent directors. Independent directors may report the relevant state of affairs directly to the shareholders’ general meeting, the securities regulatory authorities of the State Council and other relevant departments.

The addition of directors shall be approved by special resolution in the shareholders’ general meeting. The number of independent directors shall, at all times, be no less than 4.

The Board shall have one chairman. The Board may, according to practical circumstances, determine whether to set up the position of vice chairman(s) in the Company. The chairman and the vice chairman (if any) of the Board shall be elected or removed by more than one half of all directors. The term of office of the chairman and the vice chairman (if any) shall be 3 years and is renewable upon re-election.

The number of persons holding office as chairman, vice chairman and executive directors of the controlling shareholder while also holding office as chairman, vice chairman (if any) and executive directors of the Company shall not exceed 2.”

3. THE SECOND PARAGRAPH OF ARTICLE 100 OF THE ARTICLES OF ASSOCIATION

Currently read as follows:

“In the event that the chairman of the Board is unable to exercise and perform his powers and duties, a director jointly elected by more than half of all the directors may perform such duties.”

To be amended and read as follows:

“In the event that the chairman of the Board is unable to exercise and perform his powers and duties, the vice chairman of the Board (if any) to perform the powers and duties on his behalf; where the vice chairman of the Board (if any) is unable to or fails to perform his duties, a director jointly elected by more than half of all the directors may perform such duties.”

The proposed amendments to the procedural rules of the Board meetings are as follows:

1. ARTICLE 3 OF CHAPTER 2 OF THE PROCEDURAL RULES OF THE BOARD MEETINGS

Currently read as follows:

“The composition of the Board shall be nine persons including four independent directors. The Board consists of one chairman. The chairman shall be elected by all directors with majority votes.

The chairman, vice chairman and executive director of the controlling shareholder who also serve as the chairman and executive director of the Company shall not be more than two.”

To be amended and read as follows:

“The composition of the Board shall be nine persons including four independent directors. The Board consists of one chairman. The chairman shall be elected by all directors with majority votes. The Board may, according to practical circumstances, determine whether to set up the position of vice chairman(s) in the Company. The chairman and the vice chairman (if any) shall be elected by all directors with majority votes.

The chairman, vice chairman and executive director of the controlling shareholder who also serve as the chairman, vice chairman (if any) and executive director of the Company shall not be more than two.”

2. ARTICLE 18 OF CHAPTER 4 OF THE PROCEDURAL RULES OF THE BOARD MEETINGS

Currently read as follows:

“If the chairman is unable or fails to perform his duties, a director shall be elected jointly by more than half of the directors to perform such duties.”

To be amended and read as follows:

“If the chairman is unable or fails to perform his duties, the vice chairman of the Board (if any) shall perform such duties. Where the vice chairman of the Board (if any) is unable to or fails to perform his duties, a director shall be elected jointly by more than half of the directors to perform such duties.”

**3. ARTICLE 31 OF CHAPTER 6 OF THE PROCEDURAL RULES OF THE BOARD
MEETINGS**

Currently read as follows:

“The Board meeting shall be convened and presided over by the chairman, or a director jointly recommended by more than half of the directors where the chairman is unable to or fails to perform his/her duties.”

To be amended and read as follows:

“The Board meeting shall be convened and presided over by the chairman. In the event that the chairman of the Board is unable to or fails to perform his duties, the vice chairman of the Board (if any) shall convene and preside over the meeting. Where the vice chairman of the Board (if any) is unable to or fails to perform his duties, a director jointly recommended by more than half of the directors shall convene and preside over the meeting.”

Biographical details of the candidates proposed be re-elected or elected as Directors are set out as follows:

EXECUTIVE DIRECTORS

Mr. ZHANG Chun (張淳), aged 49, is currently the chairman of the Board and an executive Director of the Company. Mr. ZHANG was appointed as executive Director and the president of the Company on March 16, 2012. Following his appointment as the chairman of the Board, he has ceased to serve as the president of the Company on January 12, 2018. He has more than 20 years of management experience. In July 1991, he joined China National Electric Equipment Corporation (中國電工設備總公司), the predecessor of China National Electric Engineering Co., Ltd. (中國電力工程有限公司) (“CNEEC”), as a sales representative and worked in that company until August 1993. Mr. ZHANG then joined our Company, and held various positions from August 1993 to May 2002, including sales representative, project manager, representative and chief representative of the Representative Office of our Company in Bangladesh. After returning to China, Mr. ZHANG joined China National Machinery & Equipment Corporation Group (中國機械裝備(集團)公司), the predecessor of SINOMACH, in May 2002 as the director of the department of operational management. Mr. ZHANG later became the director of the department of engineering and served at that position until August 2011. Mr. ZHANG was the vice president of our Company from August 2011 until March 2012. From March 2014 to the present, Mr. ZHANG has been acting as chairman of CNEEC. From October 2014 to March 2017, Mr. ZHANG was a director of China National Guo Lian Development New Energy (Wuxi) Co., Ltd.(中設國聯無錫新能源發展有限公司).

In 1991, Mr. ZHANG graduated from Tsinghua University (清華大學) with a bachelor’s degree in thermal engineering. Mr. ZHANG is a professorate senior engineer.

Save as disclosed above, Mr. ZHANG does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Mr. ZHANG confirms that should he be elected as a Director of the Company, he will comply to the best of his ability with the Listing Rules.

As at the date of the Latest Practicable Date, Mr. ZHANG does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

If Mr. ZHANG is appointed as an executive Director at the Second EGM, the Company will enter into service contracts with him in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Board. The remuneration of the Directors of the third session of the Board will be determined by the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee.

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Mr. ZHANG 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.

Mr. HAN Xiaojun (韓曉軍), aged 49, is currently the secretary of the Party Committee of the Company. He has more than 20 years of management experience. From July 1990 to June 1995, he served as an officer at Beijing Silk Plant (北京絲綢總廠). From June 1995 to July 2002, he worked at Chinese Academy of Agricultural Mechanization Sciences as an engineer. Mr. HAN joined China National Machinery and Equipment (Group) Company (中國機械裝備(集團)公司), the predecessor of SINOMACH, in July 2002 and successively held the positions of an officer at the business coordination office of the operational management department, an officer (director-level) at the general management office of the general management department, chief of the cadres management office of the human resources department (cadres division of the Party Committee), deputy director of the human resources department (cadres division of the Party Committee), the director of the human resources department (organization division of the Party Committee), the director of the work department of the Party Committee, and from October 2008 to September 2011, he also concurrently served as the secretary of General Party Branch of the headquarters of SINOMACH. In April 2015, Mr. HAN was transferred to China National Automotive Industry International Cooperation, which was subsequently renamed as China National Machinery Industry International Co., Ltd., to serve as the secretary of the Party Committee, a director and general manager until January 2018. Since December 2017, he has served as the secretary of the Party Committee of the Company. Since February 2010, Mr. HAN has also served as a member of the Party Committee of SINOMACH.

From January 2009 to January 2011, Mr. HAN had served as a director of China National Machinery & Equipment Import & Export Corporation, the predecessor of the Company. From September 2010 to July 2013, he had served as the chairman of the supervisory board of China Foma (Group) Co., Ltd (中國福馬機械集團有限公司).

In 1990, Mr. HAN graduated from Tianjin Polytechnic University with a bachelor's degree in textile machinery of the department of mechanical engineering. He is a professorate senior engineer.

Save as disclosed above, Mr. HAN does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Mr. HAN confirms that should he be elected as a Director of the Company, he will comply to the best of his ability with the Listing Rules.

As at the date of the Latest Practicable Date, Mr. HAN does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

If Mr. HAN is appointed as an executive Director at the Second EGM, the Company will enter into service contracts with him in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Board. The remuneration of the Directors of the third session of the Board will be determined by the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee.

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Mr. HAN 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.

Mr. ZHOU Yamin (周亞民), aged 54, is currently the president, chief financial officer, secretary to the Board and company secretary of our Company. He has more than 30 years of management experience. Mr. ZHOU served in various positions in China Machinery Industry Installation Company (中國機械工業安裝總公司) from October 1983 to June 2001, including bookkeeper of the finance department, accountant, vice departmental director of the finance department and manager of the finance department. From June 2001 to February 2002, Mr. ZHOU served as deputy chief accountant and manager of the department of financial assets for China CMIIC Engineering & Construction Corporation. From February 2002 to December 2004, Mr. ZHOU was appointed as the chief accountant of China CMIIC Engineering & Construction Corporation and from December 2004 to July 2011, he served as the deputy general manager and chief financial officer for China CMIIC Engineering & Construction Corporation. In July 2011, Mr. ZHOU joined our Company and was appointed as the chief financial officer of the Company. He has been serving as the secretary to the Board and joint company secretary of our Company since June 26, 2014 and officially serves as the sole company secretary of our Company from July 1, 2017. Mr. ZHOU was appointed as the president of our Company on January 12, 2018.

Mr. ZHOU graduated from Beijing Technology and Business University and the Open University of China (北京工商大學和中央廣播電視大學) with a bachelor's degree in management in July 2004, majoring in accounting. Mr. ZHOU is a senior accountant, a member of the Chinese Institute of Certified Public Accountants (non-practising), an international certified practicing accountant and a senior international finance manager.

Save as disclosed above, Mr. ZHOU does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Mr. ZHOU confirms that should he be elected as a Director of the Company, he will comply to the best of his ability with the Listing Rules.

As at the date of the Latest Practicable Date, Mr. ZHOU does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

If Mr. ZHOU is appointed as an executive Director at the Second EGM, the Company will enter into service contracts with him in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Board. The remuneration of the Directors of the third session of the Board will be determined by the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee.

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Mr. ZHOU 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.

NON-EXECUTIVE DIRECTORS

Mr. YU Benli (余本禮), aged 65, is currently a non-executive Director of the Company, and was appointed on February 20, 2014. He has more than 30 years of experience in machinery industry. From June 1977 to December 1979, Mr. YU served at The People's Bank of China, Nanjing Branch. From December 1979 to October 1983, he served at Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司), a subsidiary of the Company. From October 1983 to January 1988, Mr. YU served at Sino American Machinery Corporation (美國華美機械有限公司), a subsidiary of the Company and was stationed in the United States. From January 1988 to April 2013, he served at SUMEC Group Corporation (江蘇蘇美達集團公司), a subsidiary of SINOMACH and the predecessors of which are Jiangsu Machinery Equipment Import & Export Corporation (江蘇機械設備進出口公司) and China Jiangsu Machinery Equipment Import & Export Corporation (中設江蘇機械設備進出口集團公司). He held a number of positions including assistant general manager, deputy general manager, general manager and chairman. Currently, Mr. YU is also the chairman of China Perfect Machinery Industry Corp., Ltd. (中國浦發機械工業股份有限公司), a subsidiary of SINOMACH, chairman of China Machine Tool Sales and Technology Services Co., Ltd. (中國機床銷售與技術服務有限公司), a subsidiary of SINOMACH and director of China National Machinery Industry International Co., Ltd. (中國機械國際合作有限公司), a subsidiary of SINOMACH. Mr. YU has resigned as the chairman of China Machine Tool Sales and Technology Services Co., Ltd. (中國機床銷售與技術服務有限公司), a subsidiary of SINOMACH, in February 2014.

Mr. YU graduated from Nanjing Jinling Vocational University (南京市金陵職業大學) with a degree in business operation. He is a senior international business specialist.

Save as disclosed above, Mr. YU does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Mr. YU confirms that should he be elected as a Director of the Company, he will comply to the best of his ability with the Listing Rules.

As at the date of the Latest Practicable Date, Mr. YU does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

If Mr. YU is appointed as a non-executive Director at the Second EGM, the Company will enter into service contracts with him in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Board. The remuneration of the Directors of the third session of the Board will be determined by the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee.

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Mr. YU 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.

Mr. ZHANG Fusheng (張福生), aged 65, is currently a non-executive Director of the Company, and was appointed on February 20, 2014. He has more than 30 years of experience in equipment manufacturing industry. He began his career with Zhejiang Automotive Industrial Corporation (浙江省汽車工業公司) in July 1980 and was promoted to assistant manager in August 1986. In April 1988, Mr. ZHANG was appointed as deputy county magistrate of Zhejiang Province Yongjia County People's Government (浙江省永嘉縣人民政府). From May 1990 to August 1998, he held the positions of deputy general manager and general manager of China Automotive Industrial Import & Export Zhejiang Branch (中國汽車工業進出口浙江公司), a subsidiary of SINOMACH. From August 1998 to February 2012, he was the general manager of China Automotive Import & Export Corporation (中國汽車進出口總公司), a subsidiary of SINOMACH.

Since February 2012, Mr. ZHANG has been the chairman of China National Machinery Industry International Co., Ltd. (中國機械國際合作有限公司), a subsidiary of SINOMACH. Mr. ZHANG has been a director of CNEEC, a subsidiary of SINOMACH from November 2, 2011 to January 2016, and a director of CNCEC since December 29, 2011. Since February 2015, Mr. ZHANG has been a director of Beijing Xianglong Assets Management Co., Ltd (北京祥龍資產經營有限責任公司). Since June 2016, Mr. ZHANG has been a director of China CAMC Engineering Co., Ltd. (中工國際工程股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002051).

In 2000, Mr. ZHANG graduated from Wuhan University of Technology (武漢理工大學) with a master's degree in business administration. Mr. ZHANG is a professional senior engineer.

Save as disclosed above, Mr. ZHANG does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Mr. ZHANG confirms that should he be elected as a Director of the Company, he will comply to the best of his ability with the Listing Rules.

As at the date of the Latest Practicable Date, Mr. ZHANG does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

If Mr. ZHANG is appointed as a non-executive Director at the Second EGM, the Company will enter into service contracts with him in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Board. The remuneration of the Directors of the third session of the Board will be determined by the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee.

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Mr. ZHANG 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.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LIU Li (劉力), aged 62, is currently an independent non-executive Director of the Company, and was appointed on January 13, 2011. He was a teacher at the department of physics, the Beijing Institute of Iron and Steel (北京鋼鐵學院) from September 1984 to January 1986. From January 1986 to date, Mr. LIU has been holding various teaching positions at the Guanghua School of Management (光華管理學院), and its predecessor, the department of economics of the school of economics and management (經濟學院經濟管理系), Peking University, including lecturer, associate professor, professor, supervisor for doctoral students, the director of the finance department and a director of the MBA program at the Guanghua School of Management, Peking University. Mr. LIU is also a deputy director of the Research Center of Finance & Securities at Peking University.

Currently, Mr. LIU is also an independent non-executive director of Bank of Communications Co., Ltd. (交通銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 3328) and an independent non-executive director of China International Capital Corporation Limited (中國國際金融股份有限公司) (stock code:3908). Besides, he is nominated as the chairman of Corporate Governance Committee and the members of both Audit Committee and Risk Control Committee. He is also an independent director of Success Electronics Ltd (宇順電子股份有限公司) (stock code: 002289) and Cnpc Capital Company Limited (中國石油集團資本股份有限公司) (stock code: 000617), both of which were listed on Shenzhen Stock Exchange.

In addition, Mr. LIU had been an independent non-executive director of Metallurgical Corporation of China Ltd. (中國冶金科工股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1618) and the Shanghai Stock Exchange (stock code: 601618), and an independent director of Langfang Development Co., Ltd. (廊坊發展股份有限

公司), a company listed on the Shanghai Stock Exchange (stock code: 600149), and Beijing Oil HBP Group (華油惠博普科技股份有限公司), a company listed on Shenzhen Stock Exchange (stock code:002554) during the past three years.

In 1982 and 1984, Mr. LIU graduated from Peking University with a bachelor's degree and a master's degree in physics, respectively. Mr. LIU is also a member of the Chinese Institute of Certified Public Accountants (non-practicing).

Save as disclosed above, Mr. LIU does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Mr. LIU confirms that should he be elected as a Director of the Company, he will comply to the best of his ability with the Listing Rules.

As at the date of the Latest Practicable Date, Mr. LIU does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

If Mr. LIU is appointed as an independent non-executive Director at the Second EGM, the Company will enter into service contracts with him in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Board. The remuneration of the Directors of the third session of the Board will be determined by the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee.

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Mr. LIU 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.

Ms. LIU Hongyu (劉紅宇), aged 54, is currently an independent non-executive Director of the Company and was appointed on January 13, 2011. From July 1985 to May 1988, she served as an officer at the financial management office of the People's Bank of China Sichuan branch (四川省人民銀行). From May 1988 to April 1993, Ms. LIU served as a legal counsel for the Agricultural Bank of China (Beijing Branch) and from April 1993 to April 2004, she was the managing partner at Beijing Tongda Law Firm (北京同達律師事務所). In 2004, Beijing Tongda Law Firm and Jincheng Law Firm (金誠律師事務所) merged and the merged firm was renamed as Beijing Jincheng & Tongda Law Firm (北京金誠同達律師事務所) where Ms. LIU became one of its founding partner. From April 2005 to June 2011, Ms. LIU served as an independent director of Founder Technology Group Corporation (方正科技集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600601). From June 2006 to June 2012, Ms. LIU served as an independent director of Chongqing Three Gorges Water Conservancy and Electric Power Co.,Ltd (重慶三峽水利電力(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600116). From June 2009 to September 10,

2015, Ms. LIU served as an independent director of CCCG Real Estate Corporation Limited (中交地產股份有限公司) (previously named as CRED-Chongshi Real Estate Corporation Limited (中房地產股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000736). From August 2010 to August 2016, Ms. LIU served as an external supervisor of the Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601169). Currently, Ms. LIU is an independent director of Lanpec Technologies Limited (甘肅藍科石化高新裝備股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601798), and the Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601169), and an independent non-executive director of Gome Electrical Appliances Holding Limited (國美電器控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00493).

In 1985, Ms. LIU graduated from Southwest University of Political Science and Law (西南政法大學) with a bachelor's degree in law. She graduated from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院研究生院) in economic law in 1998. Ms. LIU also obtained an EMBA degree from the Guanghua School of Management, Peking University in 2003.

Save as disclosed above, Ms. LIU does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Ms. LIU confirms that should she be elected as a Director of the Company, she will comply to the best of her ability with the Listing Rules.

As at the date of the Latest Practicable Date, Ms. LIU does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

If Ms. LIU is appointed as an independent non-executive Director at the Second EGM, the Company will enter into service contracts with her in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Board. The remuneration of the Directors of the third session of the Board will be determined by the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee.

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Ms. LIU 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.

Mr. FANG Yongzhong (方永忠), aged 66, is currently an independent non-executive Director of our Company, and was appointed on July 29, 2011. In September 1971, he joined the construction machinery factory of the Shenyang Railway Bureau (瀋陽鐵路局施工機械廠).

Mr. FANG then joined the engineering department of the Shenyang Railway Bureau (瀋陽鐵路局瀋陽工程處) and held a number of positions within the bureau including technician, assistant engineer, engineer, vice section chief, section chief, vice departmental director and departmental director between February 1977 and August 1994.

Mr. FANG was appointed as a vice director of the Shenyang sub-bureau of the Shenyang Railway Bureau in August 1994 and between August 1994 and December 1999, he was also general manager of Shenyang Engineering Corporation of the Shenyang Railway Bureau. From December 1999 to December 2003, Mr. FANG served at Shenyang Railway Engineering Construction Group Co., Ltd. (瀋陽鐵路工程建設集團有限公司) as the chairman of the board and general manager. From December 2003 to March 2008, Mr. FANG held various positions at China Railway No.9 Group Co., Ltd. (中鐵九局集團有限公司) including director, deputy general manager and vice chairman of the board of directors. From March 2008 to December 2012, Mr. FANG was also an external director of China Railway Science & Industry Group (中鐵科工集團有限公司) (“**CRSIG**”), China Railway No. 5 Engineering Group Co., Ltd. (中鐵五局(集團)有限公司) (“**China Railway No.5 Bureau**”), China Overseas Engineering Group Co., Ltd. (中國海外工程有限責任公司) (“**COVEC**”) and China Railway & Airport Construction Group Corporation (中國中鐵航空港建設集團有限公司) (“**CACCC**”) and is a supervisor and the chairman of the supervisory board of China Railway Construction and Engineering Group (中鐵建工集團有限公司) (“**CRCEG**”). These five companies are subsidiaries of China Railway Group Limited (中國中鐵股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 00390) and the Shanghai Stock Exchange (stock code: 601390).

As an external director, Mr. FANG participates in board meetings of CRSIG, China Railway No.5 Bureau, COVEC and CACCC, representing the interests of the respective shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRSIG, China Railway No.5 Bureau, COVEC and CACCC. As a supervisor and the chairman of the supervisory board of CRCEG, Mr. Fang participates in meetings of the supervisory board and the board of directors of CRCEG, representing the interests of the shareholder, China Railway Group Limited. However, Mr. FANG is not involved in the day to day management of CRCEG.

Mr. FANG completed his studies in railway engineering (工程系鐵道工程專業) and graduated from the Shanghai Railway Institute (上海鐵道學院) in 1977, and also obtained an EMBA in decision-making management from International East-West University (美國國際東西方大學決策管理學) in December 1995. Mr FANG is a senior engineer and a registered national first class architect.

Save as disclosed above, Mr. FANG does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Mr. FANG confirms that should he be elected as a Director of the Company, he will comply to the best of his ability with the Listing Rules.

As at the date of the Latest Practicable Date, Mr. FANG does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

If Mr. FANG is appointed as an independent non-executive Director at the Second EGM, the Company will enter into service contracts with him in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Board. The remuneration of the Directors of the third session of the Board will be determined by the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee.

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Mr. FANG 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.

Mr. WU Tak Lung (吳德龍), aged 52, is currently an independent non-executive Director of the Company, and was appointed on February 20, 2014. He is a member of Hong Kong Institute of Certified Public Accountants, a fellow member of Hong Kong Securities Institute, the Association of Chartered Certified Accountants, the Taxation Institute of Hong Kong and the Hong Kong Institute of Chartered Secretaries. Mr. WU was awarded the bachelor's degree of Accounting by the Hong Kong Baptist University and the master's degree of business administration (MBA) jointly by the University of Manchester and the University of Wales.

Mr. WU had worked in an international accounting firm, Deloitte Touche Tohmatsu, for five years, and was then employed by several listed and private companies in Hong Kong as head of corporate finance and executive director. Mr. WU currently served as an independent non-executive director of Kam Hing International Holdings Limited (錦興國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2307), Beijing Media Corporation Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1000), First Tractor Company Limited, a company listed on both the Main Board of the Stock Exchange (stock code: 00038), and the Shanghai Stock Exchange (stock code: 601038), Sinomax Group Limited (盛諾集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1418), Olympic Circuit Technology Co., Ltd (廣東世運電路科技有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603920), Sinotrans Shipping Limited (中外運航運有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 368) and Henan Jinma Energy Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 6885). Moreover, he was an independent non-executive director of Valuetronics Holdings Limited, a company listed on the Singapore Stock Exchange, Aupu Group Holding Company, a company listed on the Main Board of the Stock Exchange (stock code: 0477), which was delisted on September 30, 2016 and Huarong Investment Stock Corporation Limited (華融投資股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2277) in the last three years.

Mr. WU is currently a member of Jiangsu People's Political Consultative Committee, member of the Council and the Court of Hong Kong Baptist University, an adjunct professor of the School of Business of Hong Kong Baptist University, the honorary chairman of the North Kwai Chung Scout and the executive vice president of Hongkong-Guangdong Youth Exchange Promotion Association.

Save as disclosed above, Mr. WU does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Mr. WU confirms that should he be elected as a Director of the Company, he will comply to the best of his ability with the Listing Rules.

As at the date of the Latest Practicable Date, Mr. WU does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

If Mr. WU is appointed as an independent non-executive Director at the Second EGM, the Company will enter into service contracts with him in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Board. The remuneration of the Directors of the third session of the Board will be determined by the Board in accordance with the applicable laws, regulations and regulatory provisions, and the remuneration policy set by the Remuneration Committee.

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Mr. WU 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.

APPENDIX IV DETAILS OF SUPERVISORS PROPOSED TO BE RE-APPOINTED

Biographical details of the candidates proposed to be re-elected as Supervisors are set out as follows:

SUPERVISORS

Mr. QUAN Huaqiang (全華強), aged 47, is currently a Supervisor of the Company, and was appointed on January 13, 2011. He worked in the finance department of Beijing Yanshan Petrochemical Corporation (北京燕山石油化工公司) from August 1991 to July 1994. From July 1994 to October 1997, Mr. QUAN was initially employed as an accountant and then in May 1995, he became manager of the finance department of Universal Import and Export Company (中機通用進出口公司財務部) until October 1997. Mr. QUAN was appointed by China National Machinery Import & Export Corporation (“CMC”) (中國機械進出口集團) as finance manager for the CMC Ukraine Office in October 1997 and worked there until January 1999, and then was appointed as manager of the finance department of CMC General Electrical Parts Import and Export Company (中機機電配件進出口公司) by CMC until May 2001. In May 2001, Mr. QUAN was appointed by China General Technology Group (中國通用技術集團) as general manager of the finance department of China International Advertising Corporation (中國國際廣告公司財務部) and subsequently was appointed as manager of the funds management department of the general finance department of China General Technology Group in May 2004. From March 2005 to December 2006, Mr. QUAN served at Sinomach Finance Co., Ltd. (國機財務有限責任公司) as a deputy general manager. From September 2010 to August 2011, Mr. QUAN was the chairman of the Supervisory Board of China Automobile Trading Co., Ltd. (中國進口汽車貿易有限公司). Mr. QUAN had worked as the head of the internal audit inspection department of SINOMACH from December 2006 to May 2015. From May 2015 to the present, Mr. QUAN has been working as the head of Property and Finance Department of SINOMACH. From April 2016 to the present, Mr. QUAN has been working as a member of the Standing Committee of the CPC of China National Erzhong Group Co. (中國第二重型機械集團公司) and the chief accountant of China Erzhong Group (Deyang) Heavy Industries Co. Ltd. (二重集團(德陽)重型裝備股份有限公司). Mr. QUAN has also been serving as the chairman of the Supervisory Board of the Company since November 2008. Since August 2011, Mr. QUAN is a chairman of the Supervisory Committee of Sinomach Automobile Co., Ltd. (國機汽車股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600335).

In 1991, Mr. QUAN graduated from the Jiangxi Institute of Finance and Economics (江西財經學院) with a bachelor’s degree in accounting. Mr. QUAN is a senior accountant.

Save as disclosed above, Mr. QUAN does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Mr. QUAN confirms that should he be elected as a Supervisor of the Company, he will comply to the best of his ability with the Listing Rules.

Save as disclosed above, Mr. QUAN does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

APPENDIX IV DETAILS OF SUPERVISORS PROPOSED TO BE RE-APPOINTED

Save as disclosed above, there were no relationship between the supervisor candidates themselves or between the supervisor candidates and other supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

If Mr. QUAN is appointed as a Supervisor at the Second EGM, the Company will enter into service contracts with him in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Supervisory Board.

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Mr. QUAN 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.

Mr. QIAN Xiangdong (錢向東), aged 48, a senior accountant, is a Supervisor of the Company, and was appointed on January 13, 2011. He joined the Education Department of the Ministry of Machinery Industry in June 1997. From September 1998 to August 2006, Mr. QIAN held various positions, including the Financial and Audit Department officer, vice manager, vice chief accountant and deputy general manager at China National Harvester Machinery Corporation (中國收穫機械總公司), a subsidiary of SINOMACH. From September 2006 to September 2008, Mr. QIAN served as an financial controller of the Tianjin Design & Research Institute of Electric Drive (天津電氣傳動設計研究所), a subsidiary of SINOMACH. From 2008 to October 2016, Mr. QIAN served as a deputy general manager and chief financial officer of China United Engineering Corporation and since October 2016, Mr. QIAN has been serving as a director, vice chairman and chief financial officer of this company.

Save as disclosed above, Mr. QIAN does not hold any directorship in other listed companies in the last three years, or any other position in the Company or other members of the Group. As at the date of the Latest Practicable Date, Mr. QIAN confirms that should he be elected as a Supervisor of the Company, he will comply to the best of his ability with the Listing Rules.

Save as disclosed above, Mr. QIAN does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO nor (save as disclosed above) any relationship with any director, senior management, chief executive or substantial shareholder or controlling shareholder of the Company.

Save as disclosed above, there were no relationship between the supervisor candidates themselves or between the supervisor candidates and other supervisors, senior management, substantial shareholders or controlling shareholders of the Company.

If Mr. QIAN is appointed as a Supervisor at the Second EGM, the Company will enter into service contracts with him in connection with his appointment, for a term commencing from the date of the Second EGM until the expiration of the current term of the Supervisory Board.

APPENDIX IV DETAILS OF SUPERVISORS PROPOSED TO BE RE-APPOINTED

Save as disclosed above, the Board is not aware of any matters relating to the proposed appointment of Mr. QIAN 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.

NOTICE OF 2018 SECOND EXTRAORDINARY GENERAL MEETING

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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)

(Stock Code: 1829)

NOTICE OF 2018 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2018 second extraordinary general meeting (the “**Second EGM**”) of China Machinery Engineering Corporation* (the “**Company**”) will be held at the Meeting Room, 3/F, DoubleTree by HILTON, No. 168 Guang’anmenwai Street, Beijing, the People’s Republic of China (the “**PRC**”), on Monday, March 5, 2018 at 9:00 a.m. for the purposes of considering and, if thought fit, passing, with or without modification or supplementation, the following resolutions:

AS SPECIAL RESOLUTION

1. To consider and approve the proposed amendments to the articles of association of the Company as set out in Appendix I to the circular of the Company dated January 15, 2018.

AS ORDINARY RESOLUTIONS

2. To consider and approve the proposed amendments to the procedural rules of the Board meetings as set out in Appendix II to the circular of the Company dated January 15, 2018.
3. To consider and approve the proposed re-appointments or appointments of nine Directors for the third session of the Board for a term of office of three years commencing from the conclusion of the Second EGM.
4. To consider and approve the proposed re-appointments of two supervisors of the Company (the “**Supervisors**”) for the third session of the supervisory board of the Company (the “**Supervisory Board**”) for a term of office of three years commencing from the conclusion of the Second EGM.

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5. To approve and authorise the Board to determine the remuneration proposal of each of the Directors of the third session of the Board in accordance to the remuneration policy set by the remuneration committee of the Board and to authorise the Board to enter into service contracts and/or appointment letters with each of the re-elected or elected Directors subject to such terms and conditions as the Board shall think fit and to do all such acts and things and handle all other related matters as necessary.

By order of the Board
China Machinery Engineering Corporation*
ZHOU Yamin
Secretary of the Board/Company Secretary

Beijing, the PRC, January 15, 2018

Registered office:

No. 178 Guang'anmenwai Street, Beijing, the PRC

Principal place of business in Hong Kong:

Room 804, 8/F, Tower 1 South Sea Centre

75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong

Notes:

- a. A member of the Company (the "**Member**") entitled to attend and vote at the Second EGM or its adjournment (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more issued shares of RMB1.00 each in the Company (the "**Shares**") more than one), proxy to attend and vote, on a poll, in his stead in accordance with the articles of association of the Company. A proxy needs not be a Member.
- b. A form of proxy for use at the Second EGM is enclosed, if you do not intend to attend the Second EGM in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Second EGM or any adjourned meeting thereof if you so wish. In the event that you attend the Second EGM after having returned the completed form of proxy, your form of proxy will be deemed to have been revoked.
- c. In the case of holders of H Shares (the "**H Shareholders**") and to be valid, a form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in case of holders of Domestic Shares (the "**Domestic Shareholders**"), to the Company's registered office address at The Office of the Board of Directors, No. 178 Guang'anmenwai Street, Beijing, the PRC, not later than 24 hours before the time appointed for holding the Second EGM or its adjournment. Delivery of the form of proxy shall not preclude a Member from attending and voting in person at the Second EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- d. The register of Members will be closed from Saturday, February 3, 2018 to Monday, March 5, 2018, both days inclusive, during which period no transfer of the H Shares or the Domestic Shares will be effected. In order to determine the list of Members who are qualified to attend and vote at the Second EGM, all transfer documents accompanied by the relevant share certificates must be lodged, in case of H Shareholders, with the Company's H share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in case of Domestic Shareholders, to the Company's registered office address at The Office of the Board of Directors, No. 178 Guang'anmenwai Street, Beijing, the PRC, no later than 4:30 p.m. on Friday, February 2, 2018.

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- e. In the case of joint registered holders of any Shares, any one of such joint registered holders may vote at the Second EGM, either in person or by proxy, in respect of such Shares as if he/she/it were solely entitled thereto; but should more than one of such joint registered holders be present at the Second EGM, either in person or by proxy, the vote of that one of them so present, whose name stands first on the register of members in respect of such Shares shall be accepted to the exclusion of the votes of the other joint registered holder(s).
- f. If the H Shareholders intend to attend the Second EGM in person or by proxy, they shall complete the enclosed reply slip for the Second EGM and return it, by hand or by post, to the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, or by fax (+852-2865-0990) on or before 4:30 p.m. on or before Tuesday, February 13, 2018.
- g. If the Domestic Shareholders intend to attend the Second EGM in person or by proxy, they shall complete the enclosed reply slip for the Second EGM and return it, by hand or by post, to the Company's registered office address at The Office of the Board of Directors, No. 178 Guang'anmenwai Street, Beijing, the PRC or by fax (+86-10-6332-1086) on or before 4:30 p.m. on Tuesday, February 13, 2018.
- h. Regarding resolutions 3 and 4 of this notice, the biographical details of the Directors and Supervisors are set out in the circular of the Company dated January 15, 2018.
- i. Unless otherwise specified herein, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated January 15, 2018.

As at the date of this notice, the Executive Director is Mr. ZHANG Chun; the Non-executive Directors are Mr. WANG Zhian, Mr. YU Benli and Mr. ZHANG Fusheng; and the Independent Non-executive Directors are Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung.