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(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.

* *For identification purposes only*

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.