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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)

ANNOUNCEMENT

DEVELOPMENT AND REHABILITATION OF MUNICIPAL WATER AND SEWAGE TREATMENT WORKS FOR ZIMBABWE PROJECT COMING INTO EFFECT

This is an announcement made by China Machinery Engineering Corporation (the “Company”, together with its subsidiaries, the “Group”).

The board of directors of the Company is pleased to announce that the development and rehabilitation of municipal water and sewage treatment works for the city of Harare project (the “Project”) entered into between the Company and Harare Municipal Government of Zimbabwe in 2010 has satisfied the conditions precedent and came into effect in June 2013. According to the contract, the construction site of the Project is located in its capital city, Harare. The scope of the Project includes: restructuring of existing water plants, sewage plants and relevant clean water pumping stations and sewage pumping stations, and provision of relevant equipment as necessary.

As a contractor, the Company will be responsible for all the design, procurement, construction works of the Project. The contract amount of the Project is US\$144 million. Based on the current schedule, the Project will last for approximately 36 months from the commencement of the construction.

By Order of the Board
China Machinery Engineering Corporation
CHEN Minjian
Secretary to the Board/Joint Company Secretary

Beijing, the PRC, June 28, 2013

As at the date of this announcement, the executive Directors of the Company are Mr. SUN Bai, 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.

* *For identification purpose only*