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**China SUMEC Automotive Industry
Consulting Development Co., Ltd. ***
*(a company incorporated in the People's Republic of
China with limited liability)*

 **中国机械设备工程股份有限公司**
China Machinery Engineering Corporation*
*(a joint stock limited company incorporated in the
People's Republic of China with limited liability)*
(Stock code: 1829)

JOINT ANNOUNCEMENT

MONTHLY UPDATE ON THE PROPOSED PRE-CONDITIONAL MERGER BY ABSORPTION OF THE COMPANY BY THE OFFEROR



Financial Adviser to the Offeror

INTRODUCTION

We refer to the joint announcement (the “**Joint Announcement**”) issued by China SUMEC Automotive Industry Consulting Development Co., Ltd.* (the “**Offeror**”) and China Machinery Engineering Corporation* (the “**Company**”) dated 13 January 2021 in relation to the Merger and the joint announcement (the “**Extension Announcement**”) issued by the Offeror and the Company dated 3 February 2021 in relation to the extension of time for despatch of the Composite Document. Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Joint Announcement and the Extension Announcement.

MONTHLY UPDATE ON THE MERGER

As stated in the Joint Announcement, the Merger Agreement is subject to the fulfilment of the Pre-Condition which involves obtaining or completion of the relevant filing, registration or approval in respect of the Merger with or by the competent PRC authorities. The Offeror has been working towards obtaining or completing such filing, registration or approval. As at the date of this joint announcement, the Pre-Condition is yet to be fulfilled.

As stated in the Extension Announcement, an application was made to the Executive pursuant to Note 2 to Rule 8.2 of the Takeovers Code, and the Executive has granted its consent to extend the latest time for the despatch of the Composite Document to a date falling within 7 days of the fulfilment of the Pre-Condition or 20 January 2022, whichever is earlier.

Further announcement(s) will be made by the Offeror and the Company upon the fulfilment of the Pre-Condition as and when appropriate.

By order of the sole director of
**China SUMEC Automotive Industry
Consulting Development Co., Ltd.***
WANG Huifang
Sole Director

By order of the board of
**China Machinery Engineering
Corporation***
BAI Shaotong
Chairman

Beijing, China
2 March 2021

As at the date of this joint announcement, the Offeror's sole director is Ms. Wang Huifang. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Company) and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

As at the date of this joint announcement, the board of directors of SINOMACH comprises Mr. Zhang Xiaolun, Mr. Wu Yongjie, Mr. Song Xin, Mr. Shang Bing, Mr. Jiang Xin, Mr. Dong Xuebo, Mr. Sha Xianhua, Mr. Zhang Xi and Mr. Liu Zuqing. The directors of SINOMACH jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises Mr. FANG Yanshui and Ms. AI Wei as executive Directors, Mr. BAI Shaotong, Mr. MA Jian and Mr. ZHANG Zhiyu as non-executive Directors, and Mr. LIU Li, Ms. LIU Hongyu, Mr. FANG Yongzhong and Mr. WU Tak Lung as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Offeror and SINOMACH) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror and the directors of SINOMACH) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

* For identification purposes only