

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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 H SHAREHOLDERS' CLASS MEETING

NOTICE IS HEREBY GIVEN that a H shareholders' class meeting (the "**H Shareholders' Class Meeting**") of China Machinery Engineering Corporation (the "**Company**") will be held at Meeting Room, CMEC Building, No. 165 Jinze Road, Fengtai District, Beijing, the People's Republic of China on Wednesday, 28 July 2021 at 9:30 a.m. or immediately following the conclusion of the EGM or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution. Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the composite document (the "**Composite Document**") jointly issued by the Company and China SUMEC Automotive Industry Consulting Development Co., Ltd.* (the "**Offeror**") dated 6 July 2021.

AS SPECIAL RESOLUTION

1. (a) To consider and, if thought fit, to approve, confirm and ratify the Merger Agreement dated 13 January 2021 entered into between the Company and the Offeror and the Merger and the transactions contemplated under the Merger Agreement.
- (b) To consider and, if thought fit, to approve that Mr. Fang Yanshui, an executive Director be authorised to do all such acts and things, to sign and execute all such other documents, deeds and instruments, to make applications to the relevant regulatory authorities and to take such steps as he may consider necessary, appropriate, expedient and in the interest of the Company to give effect to and in connection with any transactions contemplated under the Merger Agreement.

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

Beijing, the PRC
6 July 2021

Registered office:

No. 178 Guang'anmenwai Street, Xicheng District, 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

* For identification purpose only

Notes:

1. As set out in the Composite Document, it is one of the conditions to the effectiveness of the Merger Agreement that (a) the special resolution in the H Shareholders' Class Meeting approving the Merger under the Merger Agreement is approved by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and (b) the number of votes cast against the resolution(s) is not more than 10% of the votes attaching to all H Shares held by the Independent H Shareholders.
2. A member of the Company (the "**Member**") entitled to attend and vote at the H Shareholders' Class Meeting or its adjournment (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more issued H shares of RMB1.00 each in the Company (the "**Shares**") more than one) proxy to attend and vote, on a poll vote in his stead in accordance with the articles of association of the Company. A proxy needs not be a Member. The form of proxy shall contain the number of the Shares to be represented by the proxy. If several persons are authorised as the proxies of a Member, the form of proxy shall specify the number and class of Shares to be represented by each proxy.
3. A form of proxy for use at the H Shareholders' Class Meeting is enclosed. If you do not intend to attend the H Shareholders' Class Meeting 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 subsequently attending and voting in person at the H Shareholders' Class Meeting or any adjourned meeting thereof if you so wish. In the event that you attend the H Shareholders' Class Meeting after having returned the completed form of proxy, your form of proxy will be deemed to have been revoked.
4. In order 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, not later than 24 hours before the time appointed for holding the H Shareholders' Class Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Member from subsequently attending and voting in person at the H Shareholders' Class Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. The register of Members will be closed from Friday, 23 July 2021 to Wednesday, 28 July 2021, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the list of Members who are qualified to attend and vote at the H Shareholders' Class Meeting, 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 Thursday, 22 July 2021.
6. In the case of joint registered holders of any Shares, any one of such joint registered holders may vote at the H Shareholders' Class Meeting, 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 H Shareholders' Class Meeting, 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).

In view of the ongoing Novel Coronavirus (COVID-19) epidemic, the Company strongly recommends Shareholders to exercise their voting rights by appointing the chairman of the H Shareholders' Class Meeting as their proxy to vote on the relevant resolution at the H Shareholders' Class Meeting as an alternative to attending the meeting in person.

As at the date of this notice, 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.

PRECAUTIONARY MEASURES FOR THE H SHAREHOLDERS' CLASS MEETING

The Company will implement the following measures at the H Shareholders' Class Meeting including:

- compulsory body temperature checks
- refusal of entry of those with a body temperature of over 37.3 degrees Celsius (but will be able to vote by submitting a voting slip to the scrutineer at the entrance of the venue)
- wearing of face masks throughout the H Shareholders' Class Meeting
- no distribution of corporate gifts and refreshments
- seating at the H Shareholders' Class Meeting will be arranged so as to allow for appropriate social distancing. The Company may limit the number of attendees at the H Shareholders' Class Meeting as may be necessary
- no entry will be allowed to any person who (i) is subject to mandatory quarantine or self-quarantine order in relation to COVID-19; (ii) has close contact with any person under mandatory quarantine or self-quarantine order in relation to COVID-19 or with recent travel history; or (iii) does not comply with the precautionary measures

Those being refused entry at the meeting venue would still be allowed to vote by submitting a voting slip to the scrutineer at the entrance of the venue.

Any person who does not comply with the precautionary measures will be denied entry into the venue of the H Shareholders' Class Meeting.