



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)

## PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR (THE “COMPANY”)

The following procedures for shareholders to propose a person for elections as a director are subject to the Articles of Association of China Machinery Engineering Corporation\* (the “**Articles**”), the Company Law of the People’s Republic of China, applicable legislation and regulation and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

### I. PROVISIONS IN THE ARTICLES

#### 1. THE PROCEDURE FOR PROPOSING A PERSON FOR ELECTION AS A DIRECTOR AT A GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY

The shareholders of the Company (the “**Shareholders**”) individual or jointly holding 3% or more of the total outstanding voting shares of the Company (the “**Shares**”) may, by way of a written proposal, put forward to the shareholders’ annual general meeting (“**AGM**”) or extraordinary general meeting (“**EGM**”) candidates for directors. However, the number of candidates proposed shall comply with the provisions of the Articles, and shall not exceed the number to be elected. The aforesaid proposal put forward by shareholders to the Company should be delivered to the Company at least 14 days before the convening of the shareholders’ general meeting. [Article 79(1) of the Articles]

The convener of the general meeting shall issue a supplemental notice of general meeting to other Shareholders within 2 days of the receipt of such proposal and incorporate such newly proposed matters into the agenda of such meeting. The new agenda shall be tabled to the general meeting for consideration. [Articles 59 of the Articles]

The written notices of the intention to nominate a candidate for election as a director, the acceptance of nomination by such potential candidate, and the relevant written materials, defined as below, of the nominated candidate, shall be given to the Company no less than 7 days prior to the date of convening the general meeting. [Article 79(3) of the Articles]

Such written notices must also state the contact details of the Shareholders concerned, the full name of the proposed director, his/her biographical details as required by Rule 13.51(2) of the Listing Rules, and be signed by the Shareholders concerned and that person indicating his/her willingness to be elected and written consent to the publication of his/her personal data.

The period given by the Company to nominators and nominees for providing the aforesaid notice and documents shall be no less than 7 days (such period shall commence from the day following the date of serving the notice of convening the general meeting). [Article 79(4) of the Articles]

\* For identification purposes only

## **2. ADDITIONAL INFORMATION FOR REUSITION OF AN ANNUAL GENERAL MEETING OR AN EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS**

The AGM shall be held once a year and within six months from the close of the preceding accounting year. [Article 57 of the Articles]

A Shareholder's request to convene an EGM should be in accordance with the following procedures: the Shareholders individually or jointly holding 10% or more of the Shares carrying voting rights at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the board of directors of the Company (the "**Board**") to convene the EGM and stating the topic of the meeting. The Board shall convene the EGM as soon as possible after having received the aforesaid written request. The shareholding referred to above shall be calculated as of the day on which the written request is made. [Article 58(1) of the Articles]

If the Board fails to issue a notice of such meeting within 30 days after having received the aforesaid written notice, the Shareholders who made such request shall be entitled to convene the meeting within four months after the Board received the request. The procedures for convening such meeting shall, to the extent possible, be identical to the procedures according to which general meetings are to be convened by the Board. [Article 58(2) of the Articles]

## **II. REQUIREMENTS UNDER THE LISTING RULES**

Pursuant to Rules 13.70 and 13.74 of the Listing Rules, the Company shall:

- publish an announcement or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a director at the general meeting where such notice is received by the Company after publication of the notice of general meeting;
- include in the announcement or supplementary circular the particulars required under Rule 13.51(2) of the Listing Rules of such person proposed to be elected as a director;
- publish such announcement or supplementary circular not less than 10 business days before the date of the relevant general meeting; and
- assess whether or not it is necessary to adjourn the meeting of the election to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or supplementary circular.

*Note: If there is any discrepancy between the English and the Chinese versions of this document, the Chinese version shall prevail.*