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上海集優機械股份有限公司

Shanghai Prime Machinery Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02345)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a substantial decrease in profit for the six months ended 30 June 2013 as compared to the profit for the corresponding period of 2012. The significant decrease in profit is mainly attributable to the overall weakened market, and the increase of costs and expenses.

Shareholders and potential investors are advised to exercise caution when dealing in shares of the Company.

This announcement is made by Shanghai Prime Machinery Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a substantial decrease in profit for the six months ended 30 June 2013 as compared to the profit for the corresponding period of 2012. The significant decrease in profit is mainly attributable to the overall weakened market, and the increase of costs and expenses.

The information contained in this announcement is only based on the preliminary assessment by the Board in accordance with the unaudited management accounts of the Group for the six months ended 30 June 2013, and is not based on any information or figures which have been

audited or reviewed by the Company's auditors and may be subject to possible adjustments. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2013 which is expected to be announced in August 2013.

Shareholders and potential investors are advised to exercise caution when dealing in shares of the Company.

By order of the Board
Shanghai Prime Machinery Company Limited
Wang Qiang
Chairman

Shanghai, the PRC, 24 July 2013

As at the date of this announcement, the board of the Company comprises Mr. Wang Qiang, Mr. Zhou Zhiyan, Mr. Zhang Jianping, Ms. Zhu Xi, Mr. Sun Wei and Mr. Chen Hui as executive Directors and Mr. Chan Chun Hong (Thomas), Mr. Ling Hong and Mr. Li Yin as independent non-executive Directors.