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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)

**POLL VOTING RESULTS OF THE ANNUAL GENERAL MEETING
HELD ON 27 JUNE 2014
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2013 AND PAYMENT OF
FINAL DIVIDEND
CHANGE OF DIRECTORSHIP,
MEMBERS AND CHAIRMAN OF BOARD COMMITTEES
RE-ELECTION OF DIRECTORS AND SUPERVISORS
CHANGE OF AUTHORIZED REPRESENTATIVES AND
ALTERNATIVE AUTHORISED REPRESENTATIVES
RE-APPOINTMENT OF SENIOR MANAGEMENT
AND
RE-APPOINTMENT OF COMPANY SECRETARY**

The board of directors (the “**Board**”) of Shanghai Prime Machinery Company Limited (the “**Company**”) is pleased to announce that the annual general meeting (the “**AGM**”) of 2013 was held on Friday, 27 June 2014 and the resolutions proposed at the AGM were duly passed by the Shareholders of the Company by way of a poll.

The Board wishes to notify the Shareholders of the details relating to the payment of the final dividend.

The Board also wishes to notify the Shareholders of 1) the appointment of chairman and vice chairman of the Board; 2) the appointment of members of audit committee, nomination committee, remuneration committee and strategic committee of the Board; 3) the appointment of chairman of the Supervisory Committee; 4) the appointment of authorized representatives and alternative authorized representatives; 5) the appointment of senior management including chief executive officer, vice presidents, chief financial officer and secretary to the Board; and 6) the appointment of the company secretary.

Reference is made to the circulars of the Company dated 28 March 2014 and 23 May 2014 (the “**Circulars**”), respectively. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circulars unless otherwise indicated.

RESULTS OF THE AGM

The Board is pleased to announce that the AGM was held at 1:00 p.m. on Friday, 27 June 2014 at Meeting Room 1, Hotel Nikko Shanghai, 488 West Yan An Road, Shanghai, PRC.

The AGM was convened in compliance with the laws and regulations of the PRC, including the Company Law of the PRC, and the requirements of the Articles of Association. Mr. Zhang Jianping, an executive Director, chaired the AGM.

The resolutions at the AGM were put to vote by way of a poll. The voting results in respect of the proposed resolutions at the AGM are as follows:

ORDINARY RESOLUTIONS		Total number of votes (%)		
		For	Against	Abstain*
1.	To consider and approve the report of the Board for the year ended 31 December 2013.	859,379,071 (100.00%)	0 (0.00%)	0
	As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.			
2.	To consider and approve the report of the Supervisory Committee for the year ended 31 December 2013.	859,379,071 (100.00%)	0 (0.00%)	0
	As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.			
3.	To consider and approve the report of the independent auditors and the audited financial statements of the Company for the year ended 31 December 2013.	859,379,071 (100.00%)	0 (0.00%)	0
	As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.			

ORDINARY RESOLUTIONS		Total number of votes (%)		
		For	Against	Abstain*
4.	To consider and approve the profit distribution plan of the Company for the year 2013 and the recommendation for dividend of the Company for the year ended 31 December 2013.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
5.	To consider and approve the re-appointment of Ernst & Young Hua Ming as the Company's PRC auditors and Ernst & Young as the Company's international auditors for the financial year of 2014 and to authorise the Board to fix the auditors' remunerations.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
6.	To consider and approve the policy on remunerations to the Directors and Supervisors (non-employee representatives) of the Company for the year 2014 and to ratify the remunerations paid to the Directors and Supervisors (non-employee representatives) of the Company during the year 2013.	812,642,184 (100.00%)	0 (0.00%)	46,736,887
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
7.	To consider and approve the appointment of Mr. Chan Oi Fat as an independent non-executive director of the Company.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				

ORDINARY RESOLUTIONS		Total number of votes (%)		
		For	Against	Abstain*
8.	To consider and approve the resolutions in respect of the members of the fourth session of the Board:			
8.1	To consider and approve the re-election of Mr. Wang Qiang as an executive director of the Company for a term of three years with immediate effect.	851,635,071 (99.10%)	7,744,000 (0.90%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
8.2	To consider and approve the re-election of Mr. Zhou Zhiyan as an executive director of the Company for a term of three years with immediate effect.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
8.3	To consider and approve the re-election of Mr. Zhang Jianping as an executive director of the Company for a term of three years with immediate effect.	776,501,071 (90.36%)	82,878,000 (9.64%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
8.4	To consider and approve the re-election of Ms. Zhu Xi as an executive director of the Company for a term of three years with immediate effect.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
8.5	To consider and approve the re-election of Mr. Sun Wei as an executive director of the Company for a term of three years with immediate effect.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
8.6	To consider and approve the re-election of Mr. Chen Hui as an executive director of the Company for a term of three years with immediate effect.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				

ORDINARY RESOLUTIONS		Total number of votes (%)		
		For	Against	Abstain*
8.7	To consider and approve the re-election of Mr. Ling Hong as an independent non-executive director of the Company for a term of three years with immediate effect.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
8.8	To consider and approve the re-election of Mr. Li Yin as an independent non-executive director of the Company for a term of three years with immediate effect.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
8.9	To consider and approve the re-election of Mr. Chan Oi Fat as an independent non-executive director of the Company for a term of three years with immediate effect, subject to the consideration and approval of the appointment of Mr. Chan Oi Fat as an independent non-executive director of the third session of the Board by the Shareholders at the AGM.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
9.	To consider and approve the resolutions in respect of the members of the fourth session of the Supervisory Committee:			
9.1	To consider and approve the re-election of Mr. Dong Jianhua as a supervisor of the Company (non-employee representative) for a term of three years with immediate effect.	851,703,071 (99.11%)	7,676,000 (0.89%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
9.2	To consider and approve the re-election of Ms. Wei Li as a supervisor of the Company (non-employee representative) for a term of three years with immediate effect.	859,379,071 (100.00%)	0 (0.00%)	0
As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				

* Pursuant to the Articles of Association, any abstaining vote or waiver to vote shall not be counted as votes for the purpose of calculating the result of that resolution.

Tricor Investor Services Limited, the Company's H share registrar, acted as the scrutineer in respect of the voting at the AGM and performed the calculation to obtain the above poll voting results based on the completed and signed poll voting forms collected by the Company.

As at the date of the AGM, the total number of issued shares of the Company was 1,438,286,184 shares.

Ordinary Resolutions

The total number of Shares entitling the Shareholders to attend and vote for or against the ordinary resolutions was 1,438,286,184 shares, representing 100% of the total issued shares of the Company. There were no restrictions on any Shareholder casting votes on the ordinary resolutions above at the AGM. Neither are Shareholders entitled to vote only against or required to abstain from voting in respect of the ordinary resolutions proposed at the AGM under the Hong Kong Listing Rules, nor any shareholders of the Company have expressed in the Circulars that they will vote against or abstain themselves from voting regarding any resolutions proposed at the AGM. The Shareholders, holding in aggregate 859,379,071 Shares, representing approximately 59.75% of the issued shares of the Company were present in person or by proxy at the AGM.

PROFIT DISTRIBUTION PLAN FOR THE YEAR 2013 AND PAYMENT OF FINAL DIVIDEND

The Board wishes to inform the Shareholders details of the payment of final dividend as follows:

The declaration and payment of a final dividend of RMB1.16 cents per share (equivalent to HK1.46 cents per share) (inclusive of applicable tax) has been approved at the AGM. The payment shall be made to shareholders whose names appeared on the register of members of the Company on Monday, 14 July 2014 (the "**Record Date**").

Pursuant to the provisions of the Enterprise Income Tax Law of the People's Republic of China which came into effect on 1 January 2008 and its implementing rules and "The Notice on the Issues Concerning Enterprise Income Tax Withholding of Dividends Paid to Overseas Non-resident Enterprise Shareholders of H Shares by Resident Enterprise in the PRC" (Gua Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the State Administration of Taxation on 6 November 2008, the Company shall be obligated to withhold 10% enterprise income tax when it distributes the cash dividends to non-resident enterprise shareholders of H shares, including Hong Kong Securities Clearing Company Nominees Limited, as listed on the Company's register of holders of H shares on the Record Date. After the legal opinion is provided by the resident enterprise shareholders within the stipulated time frame and upon the Company's confirmation of such opinion, the Company will not withhold any enterprise income tax when it distributes the cash dividends to resident enterprise shareholders of H shares as listed on the Company's register of holders of H shares on the Record Date.

All investors are requested to read this announcement carefully. Should you wish to change your shareholder status, please consult your agent or trust institution over the relevant procedure. The Company will withhold the enterprise income tax for the non-resident enterprise shareholders as required by laws on the basis of the Company's register of holders of H shares on the Record Date.

The Company assumes no liability and will not deal with any dispute over enterprise income tax withholding triggered by failure to submit proof materials within the stipulated time frame.

In addition, "The Notice on the Issues Concerning Tax on the Earnings from Transfer of Stocks (Stock Rights) and on the Income Tax from Dividends Received by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners" (Guo Shui Fa [1993] No. 045) (《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收益和股息所得稅收問題的通知》(國稅發[1993]045號)) ("Notice 93") issued by the State Administration of Taxation on 21 July 1993, where individual foreigners holding H Shares are exempted from paying individual income tax for dividends (bonuses) obtained from companies incorporated in the PRC that issue H Shares, was repealed under "The Announcement on the List of Fully and Partially Invalidated and Repealed Tax Regulatory Documents" (《關於公佈全文失效廢止、部分條款失效廢止得稅收規範性文件目錄的公告》) issued by the State Administration of Taxation on 4 January 2011. On 28 June 2011, the State Administration of Taxation issued "The Notice of the State Administration of Taxation on the Issues Concerning the Collection and Administration of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045" (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993] 045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) (the "2011 Notice"). The 2011 Notice has clarified the issues concerning the collection of individual income tax arising from H share dividends or bonus received by individual foreigners following the repeal of the Notice 93.

Due to the changes in the tax regulations of the PRC as mentioned above, a company, as the withholding agents, should withhold the individual income tax for the overseas resident individual shareholders on the dividends income or bonus of the shares issued in Hong Kong by the mainland enterprises with non-foreign investment under the item of "interests, dividend and bonus income" in accordance with the laws. After the Company's repeated consultation with competent tax authorities, they confirmed that the Company should withhold the individual income tax for the dividends or bonus income received by the overseas resident individual shareholders of the Company. However, the overseas resident individual shareholders holding the shares of the Company may be entitled to the relevant favourable tax treatments pursuant to the provisions in the tax treaties between the country(ies) in which they are domiciled and the PRC, and the tax arrangements between the mainland China and Hong Kong (Macau). As such, the Company will withhold individual income tax for H share individual shareholders in accordance with the following rules:

- For the H share individual shareholders who are Hong Kong or Macau residents or whose country or region of domicile is a country or region which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders in the distribution of dividend;

- For the H share individual shareholders whose country(ies) or region(s) of domicile is a country or region which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of such shareholders in the distribution of dividend, while such shareholders may apply for rebate in accordance with the actual tax rate under such tax treaties;
- For the H share individual shareholders whose country(ies) or region(s) of domicile is a country or region which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty in the distribution of dividend;
- For the H share individual shareholders whose country(ies) or region(s) of domicile is a country or region which has not entered into any tax treaties with the PRC, or a country or region which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, the Company will withhold and pay individual income tax at the rate of 20% in the distribution of dividend.

If a H share individual shareholder considers that his/her individual income tax withheld by the Company does not comply with the tax rate stipulated in the tax treaties between country(ies) or region(s) in which he/she is domiciled and the PRC, he/she should file a authorisation letter together with the reporting materials relating to him/her being a resident of the related country or region, to Tricor Investor Services Limited, the H share registrar and transfer office of the Company in a timely manner, which will be submitted to the competent tax authority by the Company for subsequent taxation handling.

Non-resident enterprise shareholders or overseas resident individual shareholders of the Company may seek advice from their tax advisor in relation to the tax impact of the mainland China, Hong Kong and other country(ies) or region(s) involved in owning and disposing of H shares of the Company if they have any doubts on the above arrangements.

According to the Articles of Association of the Company, dividends will be denominated and declared in Renminbi. Dividends on domestic shares will be paid in Renminbi and dividends on H shares will be paid in Hong Kong dollars. The relevant exchange rate will be the average middle rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China for the five business days prior to the date of declaration of dividends by the AGM (RMB0.794 equivalent to HK\$1.00).

The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent of H shares in Hong Kong (the "**Receiving Agent**") and will pay to such Receiving Agent final dividend declared for payment to holders of H shares. Final dividend will be paid by the Receiving Agent and relevant cheques will be dispatched on or about Monday, 28 July 2014 to holders of H shares entitled to receive such dividend by ordinary post at their own risk.

CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR, MEMBERS OF AUDIT COMMITTEE, NOMINATION COMMITTEE AND REMUNERATION COMMITTEE AND CHAIRMAN OF AUDIT COMMITTEE

Due to personal career development, Mr. Chan Chun Hong, Thomas resigned as an independent non-executive Director with effect from the date of the AGM. Mr. Chan confirmed that he has no disagreement with the Board during his term of office and there is no matter in relation to his resignation that needs to be brought to the attention of the Shareholders. The Board would like to express its gratitude to Mr. Chan for his valuable contribution to the Company during his service with the Company.

Following the approval by the Shareholders at the AGM, the Board is pleased to announce that, Mr. Chan Oi Fat was appointed an independent non-executive Director of the Company. The Board has approved the appointment of Mr. Chan as a member of each of the audit committee, the nomination committee and the remuneration committee and the chairman of the audit committee of the Board with effect from 27 June 2014. Details of Mr. Chan which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out in Appendix I to this announcement.

Ms. Chan is ordinarily resident in Hong Kong and has confirmed that he has fulfilled the independent factors as stipulated in Rule 3.13 of the Listing Rules. The Company considered that he is independent pursuant to the guidelines on independence under the Listing Rules.

The emolument of Mr. Chan Oi Fat will be determined in accordance with the Articles of Association and the remuneration policy of the Company. It was approved to authorise any of the executive Directors to enter into a service contract with Mr. Chan as well as to handle all other relevant matters on behalf of the Company upon Mr. Chan being approved by the Shareholders at the AGM.

Save as disclosed in this announcement, as far as the Board is aware, there is no any other matter in relation to the change of independent non-executive Director that need to be brought to the attention of the Shareholders or any information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

RE-ELECTION AND APPOINTMENT OF MEMBERS OF THE BOARD

The Board is pleased to announce that (i) Mr. Wang Qiang, Mr. Zhou Zhiyan, Mr. Zhang Jianping, Ms. Zhu Xi, Mr. Sun Wei and Mr. Chen Hui have been re-elected and appointed as the executive Directors; and (ii) Mr. Ling Hong, Mr. Li Yin and Mr. Chan Oi Fat have been re-elected and appointed as the independent non-executive Directors. Their terms of office commenced immediately upon the Shareholders' approval at the AGM and will end upon re-election three years later. Details of the Directors which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out in Appendix I to this announcement.

The independent non-executive Directors have confirmed that they have fulfilled the independent factors as stipulated in Rule 3.13 of the Listing Rules. The Company considered that the independent non-executive Directors are independent pursuant to the guidelines on independence under the Listing Rules.

The emolument of the Directors will be determined in accordance with the Articles of Association and the remuneration policy of the Company. It was approved to authorise any of the executive Directors to enter into service contracts with the Directors as well as to handle all other relevant matters on behalf of the Company upon the candidate being approved by the Shareholders at the AGM. Upon due appointment, each of the Directors has entered into a service contract with the Company for a term of three years commencing from the date of the AGM. Pursuant to the Articles of Association, the Directors will be subject to reelection upon the expiry of term of the fourth session of the Board.

Save as disclosed in this announcement, as far as the Board is aware, there is no any other matter in relation to the re-election and appointment of the Directors that need to be brought to the attention of the Shareholders or any information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN OF THE BOARD

The Board is pleased to announce that Mr. Wang Qiang has been appointed as the chairman and Mr. Zhou Zhiyan has been appointed as the vice chairman of the fourth session of the Board. Their terms of office commenced immediately and will end upon the expiration of term of the fourth session of the Board.

Please refer to Appendix I to this announcement for their biographical information.

APPOINTMENT OF MEMBERS OF AUDIT COMMITTEE, NOMINATION COMMITTEE, REMUNERATION COMMITTEE AND STRATEGIC COMMITTEE

The Board also announces that (i) Mr. Chan Oi Fat, Mr. Ling Hong and Mr. Li Yin have been appointed as members of the fourth session of the audit committee; (ii) Mr. Chan Oi Fat has been appointed as the chairman of the fourth session of the audit committee; (iii) Mr. Li Wai Chung has been appointed as the secretary of the fourth session of the audit committee; (iv) Mr. Wang Qiang, Mr. Zhang Jianping, Mr. Chan Oi Fat, Mr. Lin Hong and Mr. Li Yin have been appointed as members of the fourth session of the nomination committee; (v) Mr. Wang Qiang has been appointed as the chairman of the fourth session of the nomination committee; (vi) Mr. Li Wai Chung has been appointed as the secretary of the fourth session of the nomination committee; (vii) Mr. Ling Hong, Mr. Chan Oi Fat and Mr. Li Yin have been appointed as members of the fourth session of the remuneration committee; (viii) Mr. Ling Hong has been appointed as the chairman of the fourth session of the remuneration committee; (ix) Mr. Li Wai Chung has been appointed as the secretary of the fourth session of the remuneration committee; (x) Mr. Wang Qiang, Mr. Zhou Zhiyan, Ms. Zhu Xi, Mr. Sun Wei, Mr. Chen Hui and Mr. Li Yin have been appointed as members of the fourth session of the strategic committee; (xi) Mr. Wang Qiang has been appointed as the chairman of the fourth session of the strategic committee; and (xii) Mr. Li Wai Chung has been appointed as the secretary of the fourth session of the strategic committee.

Their terms of office commenced immediately and will end upon the expiration of term of the fourth session of the Board.

Please refer to Appendix I to this announcement for biographical information of the members of the audit committee, the nomination committee, the remuneration committee and the strategic committee. Please refer to the paragraph headed “Appointment of the Company Secretary” below for biographical information of Mr. Li Wai Chung.

RE-ELECTION AND APPOINTMENT OF MEMBERS OF THE SUPERVISORY COMMITTEE

The Board further announces that Mr. Dong Jianhua (non-employee representative Supervisor), Ms. Wei Li (non-employee representative Supervisor) and Mr. Yu Yun (employee representative Supervisor) have been appointed as the supervisors of the Company. Mr. Dong Jianhua has also been appointed as the chairman of the Supervisory Committee. Their terms of office commenced immediately upon the Shareholders’ approval at the AGM and will end upon re-election three years later. Details of the Supervisors which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out in Appendix I to this announcement.

The emolument of the Supervisors will be determined in accordance with the Articles of Association and the remuneration policy of the Company. It was approved to authorise any of the executive Directors to enter into service contracts with the Supervisors as well as to handle all other relevant matters on behalf of the Company upon the non-employee representative candidates being approved by the Shareholders at the AGM. Upon due appointment, each of the Supervisors has entered into a service contract with the Company for a term of three years commencing from the date of the AGM. Pursuant to the Articles of Association, the Supervisors will be subject to reelection upon the expiry of term of the fourth session of the Supervisory Committee.

Save as disclosed in this announcement, as far as the Board is aware, there is no any other matter in relation to the re-election and appointment of the Supervisors that need to be brought to the attention of the Shareholders or any information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

CHANGE OF AUTHORISED REPRESENTATIVES AND ALTERNATIVE AUTHORISED REPRESENTATIVES

The Board announces that effective from 27 June 2014, (i) Mr. Chan Chun Hong, Thomas resigned as an alternative authorized representative of the Company; (ii) Mr. Zhou Zhiyan and Mr. Zhang Jianping have been appointed as the authorised representatives of the Company respectively; and (iii) Mr. Chan Oi Fat and Mr. Li Wai Chung have been appointed as the alternative authorized representatives of the Company. Their terms of office commenced immediately and will end upon the expiration of term of the fourth session of the Board.

Details of the authorised representatives and the alternative the authorised representatives are set out in Appendix I to this announcement and the paragraph headed “Appointment of the Company Secretary” below.

APPOINTMENT OF SENIOR MANAGEMENT INCLUDING CHIEF EXECUTIVE OFFICER, VICE PRESIDENTS, CHIEF FINANCIAL OFFICER AND SECRETARY TO THE BOARD

The Board announces that (i) Mr. Zhou Zhiyan has been appointed as the chief executive officer of the Company; (ii) Mr. Chen Hui, Mr. Xiao Weifeng and Mr. Xia Sicheng have been appointed as the vice presidents respectively; and (iii) Mr. Wang Pin has been appointed as the chief financial officer; and (iv) Mr. Li Wai Chung has been appointed as the Secretary to the Board. Their terms of office commenced immediately and will end upon the expiration of term of the fourth session of the Board.

Mr. Xiao Weifeng, aged 59, is an engineer. He was appointed as the vice president of the Company in 2010. He began his career in 1973. During the period from 1992 to 2010, he worked as the deputy head and head of Shanghai No.2 Machine Tool Accessory Factory, the assistant to chief executive officer and the deputy chief executive officer of Shanghai Tool Works. Mr. Xiao is currently the deputy chief executive officer of the Company and the executive director (legal representative) and chief executive officer of Shanghai Tool Works. Mr. Xiao graduated from Workers University of Shanghai Machine Tool Works Ltd. with a major in machine tool design and manufacturing.

Mr. Xia Sicheng, aged 50, was appointed as the vice president and party committee member of the Company as well as the legal representative and executive director of Wuxi Turbine Blade Company Limited in March 2014. Mr. Xia joined Shanghai Electric (Group) Corporation in 1982 and served as the factory of Shanghai Tool Works director responsible for the management of the cutting tool business of Shanghai Electric (Group) Corporation from 1998 to 2003 before its reorganization. From 2003 to 2009, he worked as the executive director of Shanghai Tool Works. He was the vice president of the Company from 2005 to 2009. He acted as the chief executive officer and deputy secretary of committee of Communist Party of China of Pacific Mechatronic (Group) Co., Ltd. from 2010 to 2012. Since 2012, he has been the deputy director of the strategic planning department of Shanghai Electric Corporation. Mr. Xia graduated from the Central Party School of the Communist Party in 2002 with a bachelor's degree in economic management.

Mr. Wang Pin, aged 40, is a Certified Public Accountant in the PRC and a member of the Chinese Institute of Certified Public Accountants. He was appointed as the chief financial officer of the Company in 2006. Mr. Wang joined Shanghai Gong Xin Zhong Nan Accounting Firm in 1996 and took the role of lead auditor in auditing annual accounts for our bearing subsidiaries in 2001. Mr. Wang graduated from Shanghai University in 1996.

Please refer to Appendix I to this announcement for biographical information of Mr. Zhou Zhiyan and Mr. Chen Hui. Please refer to the paragraph headed "Appointment of the Company Secretary" below for the biographical information of Mr. Li Wai Chun.

APPOINTMENT OF THE COMPANY SECRETARY

The Board announces that Mr. Li Wai Chung has been appointed as the company secretary and certified public accountant. His term of office commenced immediately and will end upon the expiration of term of the fourth session of the Board.

Mr. Li Wai Chung, aged 36, is a member of Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales. He was appointed as the certified public accountant and company secretary of the Company in 2006 and secretary to the board of the Company in 2013. Prior to joining the Company, Mr. Li worked as the auditing manager in Deloitte Touche Tohmatsu Huayong Certified Public Accountants and Deloitte Touche Tohmatsu in Hong Kong. Mr. Li graduated from the University of Hong Kong with a bachelor degree in business administration (majoring in finance and accounting).

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

Shanghai, the PRC, 27 June 2014

As at the date of this announcement, the Board consists of executive Directors, namely Mr. Wang Qiang, Mr. Zhou Zhiyan, Mr. Zhang Jianping, Ms. Zhu Xi, Mr. Sun Wei and Mr. Chen Hui, and independent non-executive Directors, namely Mr. Chan Oi Fat, Mr. Ling Hong and Mr. Li Yin.

APPENDIX I INFORMATION OF DIRECTORS AND SUPERVISORS RE-ELECTED

The biographies of the Directors and Supervisors re-elected and appointed at the AGM are set out as follows:

DIRECTORS

Executive Directors

Mr. Wang Qiang, aged 56, is a senior economist and senior political affair officer. He was appointed as the executive director and chairman of the Company in February 2013. He currently serves as the director, deputy secretary of committee of Communist Party of China and president of Shanghai Electric (Group) Corporation (“**Shanghai Electric Corporation**”) and the vice chairman and deputy secretary of committee of Communist Party of China of Shanghai Electric Group Company Limited. From June 1995 to March 2001, he worked as the deputy director of Cadres Bureau of Shanghai Industry Committee Party of Communist Party of China. From March 2001 to May 2008, he worked as the head of the Human Resources Department, head of Cadres Bureau and the head of Cadres Human Resources Department of Shanghai Electric Corporation, the deputy secretary of committee of Communist Party of China of Shanghai Electric Group Company Limited and Shanghai Electric Corporation. From May 2008 to February 2011, he worked as the deputy secretary of committee of Communist Party of China and head of Cadres Human Resources Department of Shanghai Electric Corporation, the deputy secretary of committee of Communist Party of China and head of Human Resources Department of Shanghai Electric Group Company Limited and the secretary of committee of Communist Party of China of Shanghai Electric Assets Management Company Limited. Mr. Wang Qiang obtained a postgraduate qualification from the Central Party School of the Communist Party of China majoring in politics.

Mr. Wang has been reappointed as an executive Director with a term of three years. Remuneration of Mr. Wang will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

Mr. Zhou Zhiyan, aged 50, is a senior accountant and the general manager of the Company. He was appointed as the executive director and the vice chairman of the Company in 2013. Mr. Zhou Zhiyan joined Shanghai Electric Corporation in August 1983 and joined the Company since September 2005. From September 2005 to October 2007, he worked as the chairman and executive director of the Company. Mr. Zhou served as chief financial officer for one of the business departments of Shanghai Electric Corporation from 1999 to 2000; the vice general accountant of Shanghai Electric Corporation from 2000 to 2003; mainly being the president of Shanghai Electric Industrial Corporation from 2003 to 2009; the head of investment management department, investment director and chief financial officer of Shanghai Electric Assets Management Company Limited from 2004 to December 2013; mainly being the executive vice head of overseas business department and head of financial budget department of Shanghai Electric Corporation from 2009 to 2013; deputy general economist of Shanghai Electric Corporation since December 2013. Mr. Zhou Zhiyan graduated from the School of Accounting of Shanghai Industry and Commerce Institute in 1988 majoring in finance and accounting and obtained a MBA degree from Shanghai Jiao Tong University in 1994.

Mr. Zhou has been reappointed as an executive Director with a term of three years. Remuneration of Mr. Zhou will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

Mr. Zhang Jianping, aged 57, is a political affair officer. He was appointed as the supervisor of the Company in 2008 and was re-elected and appointed as the supervisor of the Company in 2011. He resigned as the supervisor of the Company effective from December 2012 and was appointed as the executive director of the Company. He worked in Shanghai Tool Work Company Limited (“**Shanghai Tool Works**”) from 1984 to 2003, during which he served as the chairman of the equipment automation labour union as well as the deputy head of workshop one. He acted as the vice chairman of the labour union of Shanghai Tool Works from 2003 to 2005, the chairman of the labour union of Shanghai Tool Works from 2005 to December 2012 and the vice chairman of the labour union of the Company from 2006 to August 2013. He has been the secretary of committee of Communist Party of China of the Company since September 2012 and the chairman of the labour union of the Company since August 2013. Mr. Zhang graduated from East China University of Political Science and Law with a major in business laws.

Mr. Zhang has been reappointed as an executive Director with a term of three years. Remuneration of Mr. Zhang will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

Ms. Zhu Xi, aged 49, is a senior accountant. She was appointed as the executive director of the Company in 2008 and was re-elected and appointed as the executive director in 2011. From 1986 to 1995, she served at the financial department of Shanghai Mechanical and Electrical Industry Administration Bureau. From 2000 to 2004, she was the deputy head of the funding and planning department of Shanghai Electric Corporation. In 2003, she was appointed as the director of Shanghai Electric (Group) Corporation Heng Lian Enterprise Development Limited. In 2004, she was the head of the budget department of Shanghai Electric Corporation. From 2004 to 2006, she served as the deputy head and head of the asset and finance department of Shanghai Electric Assets Management Company Limited. From 2007 to April 2012, Ms. Zhu was the deputy head of financial budget department of Shanghai Electric Corporation as well as the head of the asset and finance department of Shanghai Electric Assets Management Company Limited. From April 2012 to November 2013, she acted as the deputy head and head of the asset and finance department of Shanghai Electric Group Company Limited. Currently, Ms. Zhu acts as the head of the audit department of Shanghai Electric Group Company Limited. She has been serving as the supervisor of Shanghai Automation Instrumentation Co., Ltd. since May 2008. She has been the supervisor of Shanghai Electric Industry Corporation since April 2010. She has been the director of asset financial department of Shanghai Electric Group Company Limited since 2012, the director of Shanghai Rail Traffic Equipment Development Co., Ltd. and the supervisor of Shanghai Electric Financial Leasing Co., Ltd. since December 2013. Ms. Zhu graduated from the department of business management of the adult education college, East China Normal University, and obtained an EMBA degree from Arizona State University, USA in June 2012.

Ms. Zhu has been reappointed as an executive Director with a term of three years. Remuneration of Ms. Zhu will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

Mr. Sun Wei, aged 44, is a senior engineer. He was appointed as the executive director of the Company in 2011. Mr. Sun joined Shanghai Electric Corporation in 1993. From 2003 to 2005, he worked as the deputy chief executive officer of Shanghai Faiveley Transportation Equipment Company Limited. From 2005 to 2010, Mr. Sun worked as the manager of the industrial development department of Shanghai Electric Group Company Limited and the assistant to chief executive officer in Shanghai Rail Traffic Equipment Co., Ltd. From 2006 to 2010, he was promoted to the position of deputy chief executive officer of Shanghai Rail Traffic Equipment Co., Ltd. and chief executive officer of Shanghai Rail Traffic Equipment Co., Ltd. Screen Door Engineering Company. From 2010 till now, he has been working as the deputy head of the strategic planning department of Shanghai Electric Corporation and was promoted to the position of head of strategic planning department in 2011 and has concurrently acted as the head of the industrial development department of Shanghai Electric Group Company Limited since 2012. He has also been serving as the director of the sixth board of directors of Shanghai Highly (Group) Co., Ltd. since 2011. Mr. Sun graduated from Shanghai Jiao Tong University with a double bachelor's degree in industrial management and welding technology and equipment in 1993, obtained a master's degree in project management in 2010, and obtained an EMBA degree from Arizona State University, USA in June 2012.

Mr. Sun has been reappointed as an executive Director with a term of three years. Remuneration of Mr. Sun will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

Mr. Chen Hui, aged 46, is an engineer and a senior economist. He was appointed as the executive director of the Company in 2013 and vice president and secretary to the board of the Company in 2005. He is currently the vice president of the Company. From September 2005 to October 2008, he worked as the executive director of the Company. He joined Shanghai Electric Corporation in July 1987. From 2002 to 2004, he served as the factory director and was responsible for the management of the bearing business division of Shanghai Electric Corporation before the reorganization. Mr. Chen was also the president of Shanghai Electric Bearings Company Limited, a holding company of our bearing subsidiaries prior to the reorganization, from 2004 to 2005. Mr. Chen graduated from Shanghai University with a degree in mechanical automation in October 1996 and from the Central College of the Communist Party in 2001 with a bachelor's degree in management. He obtained a master degree from Macau University of Science and Technology in 2002.

Mr. Chen has been reappointed as an executive Director with a term of three years. Remuneration of Mr. Chen will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

Independent Non-executive Directors

Mr. Ling Hong, aged 53, was appointed as the independent non-executive director of the Company in 2010 and was reelected and appointed as the independent non-executive director of the Company in 2011. He is the head, a professor and tutor of doctoral students of the information management and information system department of the faculty of management in Fudan University. He is also an honorable guest professor of the Faculty of Business and Economics in the University of Hong Kong, an executive member of the council of China Information Economics Society (CIES) and a council member of the China Association for Information Systems, ISWorld (CNAIS). Mr. Ling has been a tutor at the faculty of management in Fudan University since 1984. From August 2001 to December 2001, he was a visiting scholar at the MIT Sloan School of Management in the United States. From August 1998 to February 1999, he was a deputy researcher of information systems at the City University of Hong Kong. Mr. Ling obtained a bachelor degree in computer science and engineering from Tsinghua University in Beijing in 1984 and a doctoral degree in management science from Fudan University in Shanghai in 2000.

Mr. Ling has been reappointed as an independent non-executive Director with a term of three years. Remuneration of Mr. Ling will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

Mr. Li Yin, aged 50, is a senior engineer. He was appointed as the independent non-executive director of the Company in 2011. He worked as an editor and a reporter for the Chinese Academy of Agricultural Mechanization Sciences Farm Machinery Magazine from 1984 to 1996 as well as the vice president of the Magazine from 1997 to 2001. From 2000 to 2001, Mr. Li served as the Deputy Secretary General of China Construction Machinery Association. He has been working as the head for the China Construction Machinery Magazine and the president of Beijing Green Media Co., Ltd. since 2001. Mr. Li graduated from China Agricultural University in 1984 with a bachelor degree in engineering. In 1996, he carried out further study in strategic manufacturing management for four months at the University of Warwick in Britain.

Mr. Li has been reappointed as an independent non-executive Director with a term of three years. Remuneration of Mr. Li will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

Mr. Chan Oi Fat, aged 35, who is currently the financial officer and the company secretary of the Ta Yang Group Holdings Limited (Stock code: 1991), which is listed on the Main Board of the Stock Exchange in Hong Kong. Mr. Chan has held position in Deloitte Touche Tohmatsu for over eight years. He graduated from The City University of Hong Kong with a bachelor in accounting. He is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has extensive experience in professional accounting, auditing and corporate financial services.

Mr. Chan has been reappointed as an independent non-executive Director with a term of three years. Remuneration of Mr. Chan will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

SUPERVISORS (INCLUDING EMPLOYEE REPRESENTATIVE SUPERVISOR)

Mr. Dong Jianhua, aged 48, is a senior economist. He was appointed as the chairman of the supervisory committee and supervisor of the Company in 2013. He joined Shanghai Electric Group Company Limited in December 2010 and is the chief supervisor of Shanghai Electric Group Company Limited. Mr. Dong Jianhua joined Shanghai Electric Corporation as chief financial officer in April 2008. Mr. Dong has extensive experience in internal audit and supervision. Prior to joining Shanghai Electric Corporation, Mr. Dong was the assistant to the head and deputy head of Infrastructure Office of Shanghai Municipal Audit Bureau, deputy head and head of Fixed Assets Investment and Audit Office, as well as head of Audit Office between 1987 and 2008. Mr. Dong has been involved in professional auditing for more than 25 years. Mr. Dong graduated from Shanghai Tongji University with a bachelor's degree in engineering. He also obtained a master's degree in business administration from Shanghai Jiao Tong University.

Mr. Dong has been reappointed as a Supervisor with a term of three years. Remuneration of Mr. Dong will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

Ms. Wei Li, aged 42, is an engineer. She has been the vice chairlady of the labour union of the Company. She was appointed as the supervisor of the Company in 2013. From July 1993 to July 2001, she had been the tutor of the Workers University of Shanghai Machine Tool Works Company Ltd and the secretary of the Basic Organization of Communist Youth League. She was the chairlady of the labor union of the Department of the Technical Centre, the head of Information Department of the Technical Centre, the deputy head and head of Party-Masses Relationship, chairlady of the labor union, assistant of the secretary of committee of Communist Party of China and deputy secretary of committee of Communist Party of China of Shanghai Tool Work Company Limited since July 2001. Ms. Li graduated from the Shanghai Second Polytechnic University, majoring in mechatronic engineering.

Ms. Wei has been reappointed as a Supervisor with a term of three years. Remuneration of Ms. Wei will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

Mr. Yu Yun, aged 45, is a political affair officer. He was appointed as the executive supervisor of the Company in 2012. From 1986 to 2001, he worked as the deputy head of the training division, deputy secretary of the party committee and vice chairman of the labour union of Shanghai Huatong Switch Factory. From 2003 to 2005, he worked as the director of the administration office, vice chairman of the labour union and manager of the human resources department of Shanghai Huatong Switch Co., Ltd. He has been the deputy secretary of committee of Communist Party of China, secretary of the disciplinary committee and chairman of the labour union of Shanghai Tian An Bearing Company Limited since 2005. Mr. Yu obtained a master degree in Business Administration from Asia International Open University (Macau) in 2007.

Mr. Yu has been re-elected by the employee representative meeting of the Company as an employee representative Supervisor with a term of three years. Remuneration of Mr. Yu will be determined with reference to the remuneration plan for directors and supervisors of the Company for the year ending 31 December 2014 approved at the AGM.

As at the date of this announcement, save as disclosed above, each of the Directors and Supervisors confirms that (i) he/she did not hold any directorship of any listed companies in the past three years; (ii) he/she does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company (as defined in the Listing Rules); (iii) as of the date of this announcement, he/she does not have any interest in the shares of the Company within the meaning of Part XV of SFO; (iv) as far as the Board is aware, there is no other information which is required to be disclosed pursuant to paragraph 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor he/she is involved in any of the matters required to be disclosed pursuant to the Listing Rules; and (v) there is no other matter that needs to be brought to the attention of the Shareholders of the Company.