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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)*  
**(Stock Code: 02345)**

**POLL VOTING RESULTS OF THE 2014 ANNUAL GENERAL MEETING  
HELD ON 5 JUNE 2015  
CHANGE IN AUDITORS  
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2014 AND PAYMENT  
OF FINAL DIVIDEND**

The board of directors (the “**Board**”) of Shanghai Prime Machinery Company Limited (the “**Company**”) is pleased to announce that the 2014 annual general meeting of the Company (the “**AGM**”) was held on Friday, 5 June 2015 and all the resolutions proposed at the AGM were duly passed by the shareholders of the Company (the “**Shareholders**”) by way of poll.

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

Reference is made to the circulars of the Company dated 16 April 2015 and 20 May 2015 (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, 5 June 2015 at Meeting Room, 3/F, Crowne Plaza Shanghai Fudan, 199 Handan 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. Zhou Zhiyan, the vice chairman of the Board, 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 of directors of the Company for the year ended 31 December 2014.	822,462,184 100.00%	0 0.00%	0 0.00%
As more than half 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 of the Company for the year ended 31 December 2014.	822,462,184 100.00%	0 0.00%	0 0.00%
As more than half 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 2014.	822,462,184 100.00%	0 0.00%	0 0.00%
As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
4.	To consider and approve the profit distribution plan of the Company for the year 2014 and the recommendation for dividend of the Company for the year ended 31 December 2014.	822,462,184 100.00%	0 0.00%	0 0.00%
As more than half 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 appointment of Deloitte Touche Tohmatsu as the auditors of the Company for the financial year of 2015 and to authorise the board of directors of the Company to fix the auditors' remunerations.	820,408,184 99.75%	2,054,000 0.25%	0 0.00%
As more than half 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*
6.	To consider and approve the policy on remunerations of the directors and supervisors (non-employee representatives) of the Company for the year 2015 and to ratify the remunerations paid to the directors and supervisors (non-employee representative) of the Company during the year 2014.	822,462,184 100.00%	0 0.00%	0 0.00%
As more than half 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 equity transfer agreement entered into between the Company and Shanghai Electric Industrial Company Limited in relation to the disposal of 65% equity interests in Shanghai Cyeco Environmental Technology Co., Ltd. and the transaction contemplated thereunder.	106,980,000 100.00%	0 0.00%	0 0.00%
As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				
8.	To consider and approve the equity transfer agreement entered into between the Company and Shanghai Electric (Group) Corporation in relation to the disposal of 20% equity interests in Shanghai Dalong Machinery Factory Company Limited and the transaction contemplated thereunder.	106,980,000 100.00%	0 0.00%	0 0.00%
As more than half of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.				

Special resolution		Number of votes & Percentage of the total voting shares at the Meeting(%)		
		For	Against	Abstain
9.	To grant a general mandate to the directors to issue, allot and deal with additional domestic shares and additional H shares respectively (including but not limited to ordinary share, preference shares, or other securities in compliance with applicable laws and regulations) not exceeding 20% of each of the total number of the domestic shares in issue and H shares in issue of the Company as at the date of this resolution.	767,548,184 93.32%	54,914,000 6.68%	0 0.00%
As more than two thirds of the votes were cast in favour of this resolution, the resolution was duly passed as a special 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 results of the 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 on the ordinary resolutions, except for resolution No. 7 to No. 8, was 1,438,286,184 Shares, representing 100% of the total issued shares of the Company. In accordance with the Articles of Association and the Listing Rules, SEG and its associates (who are collectively interested in 678,576,184 Domestic Shares and 36,906,000 H Shares as at the date of the AGM) have abstained from voting on the resolutions No. 7 and No. 8 in connection with the Equity Transfer Agreements. The total number of shares entitling the Independent Shareholders to attend and vote on the resolutions No. 7 and No. 8 proposed at the AGM was 722,804,000 Shares, representing 50.25% of the total issued share capital of the Company as at the date of the AGM.

There were no shares entitling the holder to attend and abstain from voting in favour at the AGM as set out in Rule 13.40 of the Listing Rules. Except for that SEG and its associates have abstained from voting on the resolutions No. 7 and No. 8, none of the Shareholders has stated their intention in the Circulars to vote against or to abstain from voting on any of the resolutions at the AGM.

## **Special Resolution**

The total number of Shares entitling the Shareholders to attend and vote for or against the special resolution 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 special resolution above at the AGM. Neither are Shareholders entitled to vote only against or required to abstain from voting in respect of the special resolution 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 the special resolution proposed at the AGM.

The Shareholders, holding in aggregate 822,462,184 Shares, representing approximately 57.18% of the issued shares of the Company were present in person or by proxy at the AGM.

## **CHANGE IN AUDITORS**

Ernst & Young has been the auditors of the Company continuously since the Company's Listing on the Stock Exchange of Hong Kong Limited in 2006. For the purpose of maintaining good corporate governance practice, the Board considers that the Company's auditors should be changed after an appropriate period of time and a rotation of auditors will help enhancing the independence of the auditors.

The Shareholders has approved that Deloitte Touche Tohmatsu be appointed as the Company's auditors for the financial year of 2015. The Board has received confirmation from Ernst & Young that there are no matters that need to be brought to the attention of the Shareholders.

## **PROFIT DISTRIBUTION PLAN FOR THE YEAR 2014 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 RMB1.40 cents per share (equivalent to HK\$1.77 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 Wednesday, 24 June 2015 (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、部分條款失效廢止的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 (RMB0.789 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, 31 July 2015 to holders of H shares entitled to receive such dividend by ordinary post at their own risk.

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

Shanghai, the PRC  
5 June 2015

*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, Mr. Chen Hui and independent non-executive directors, namely Mr. Chan Oi Fat, Mr. Ling Hong and Mr. Li Yin.*