

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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)

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2019

NOTICE IS HEREBY GIVEN that the annual general meeting for the year 2019 (the “AGM”) of Shanghai Prime Machinery Company Limited (the “**Company**”) will be held at 1:00 p.m. on Friday, 19 June 2020 at Meeting Center, North 6th Floor, 2747 Songhuajiang Road, Hongkou District, Shanghai, PRC to consider and, if thought fit, to pass the following resolutions:

AS ORDINARY RESOLUTIONS:

- (1) to consider and approve the report of the board (“**Board**”) of directors of the Company (“**Directors**”) for the year ended 31 December 2019;
- (2) to consider and approve the report of the supervisory committee of the Company (“**Supervisory Committee**”) for the year ended 31 December 2019;
- (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 2019;
- (4) to consider and approve the profit distribution plan of the Company for the year 2019 and the recommendation for dividend of the Company for the year ended 31 December 2019;
- (5) to consider and approve the re-appointment of Deloitte Touche Tohmatsu as the auditors of the Company for the financial year of 2020 and to authorise the board of directors of the Company to fix the auditors’ remunerations;
- (6) to consider and approve the policy on remunerations of the directors and supervisors (non-employee representatives) of the Company for the year ending 31 December 2020 and to ratify the remunerations paid to the directors and supervisors (non-employee representative) of the Company during the year 2019;

- (7) to consider and approve the resolutions in respect of the members of the sixth session of the Board:
- (7.1) 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;
 - (7.2) to consider and approve the re-election of Mr. Zhang Mingjie as an executive director of the Company for a term of three years with immediate effect;
 - (7.3) to consider and approve the re-election of Mr. Si Wenpei as an executive director of the Company for a term of three years with immediate effect;
 - (7.4) to consider and approve the re-election of Mr. Xiao Yuman as an executive director of the Company for a term of three years with immediate effect;
 - (7.5) to consider and approve the election of Mr. Xia Sicheng as an executive director of the Company for a term of three years with immediate effect;
 - (7.6) to consider and approve the re-election of Mr. Dong Yeshun as a non-executive director of the Company for a term of three years with immediate effect;
 - (7.7) 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;
 - (7.8) 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;
 - (7.9) to consider and approve the re-election of Mr. Sun Zechang as an independent non-executive director of the Company for a term of three years with immediate effect;
- (8) to consider and approve the resolutions in respect of the members of the sixth session of the Supervisory Committee:
- (8.1) to consider and approve the re-election of Ms. Zhang Yan as a supervisor of the Company (non-employee representative) for a term of three years with immediate effect;
 - (8.2) to consider and approve the re-election of Ms. Lu Haixing as a supervisor of the Company (non-employee representative) for a term of three years with immediate effect; and

AS SPECIAL RESOLUTION:

(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:

- (a) subject to paragraph (c) below and in accordance with the relevant requirements of the Listing Rules, the Articles of Association and the applicable laws and regulations of the PRC, the exercise by the Board during the Relevant Period of all the powers of the Company to authorise, allot, issue and deal with, either separately or concurrently, additional Domestic Shares and/or H Shares (including but not limited to ordinary Shares, preference Shares, or other securities in compliance with applicable laws and regulations) and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Board during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) each of the total number of Domestic Shares and/or H Shares (including but not limited to ordinary shares, preference shares, or other securities in compliance with applicable laws and regulations) authorised, allotted, issued and dealt with or agreed conditionally or unconditionally to be authorised, allotted or issued and dealt with (whether pursuant to an option or otherwise) by the Board, either separately or concurrently once every twelve months, pursuant to the approval granted in paragraph (a) shall not exceed 20% of each of the total number of Domestic Shares and/or H Shares in issue as at the date of passing this resolution;
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from (and including) the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or other applicable laws to be held;
- (iii) the date when it is twelve months from the date of passing of this resolution;
or
- (iv) the revocation or variation of the authority given under this resolution by a special resolution of the Company in a general meeting; and

- (e) the Board is authorised to make corresponding amendments to the articles of association of the Company as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares as provided in this resolution;
- (10) to consider and, if thought fit, to approve the resolution on the proposed amendments to the Articles of Association of the Company and authorise the Board to grant authorisation to the management of the Company to handle the approval and filing procedures with relevant regulatory authorities involved in such amendments, and to make wording adjustments to such amendments according to opinions of regulatory authorities.

By order of the Board of
Shanghai Prime Machinery Company Limited
Zhou Zhiyan
Chairman

Shanghai, the PRC

16 April 2020

As at the date of this notice, the Board consists of executive Directors, namely Mr. Zhou Zhiyan, Mr. Zhang Mingjie, Mr. Si Wenpei, Mr. Xiao Yuman; non-executive Director, namely Mr. Dong Yeshun; and independent non-executive Directors, namely Mr. Ling Hong, Mr. Chan Oi Fat and Mr. Sun Zechang.

Notes:

1. For the details of the Directors proposed for election, please refer to the circular of the Company dated 16 April 2020.
2. Holders of the Company's H shares ("**H Shares**") and domestic shares ("**Domestic Shares**") whose names appear on the register of members of the Company on Friday, 19 June 2020 are entitled to attend and vote at the AGM. The register of members of the Company will be closed from Thursday, 21 May 2020 to Friday, 19 June 2020 (both days inclusive), during which period no transfer of H Shares will be effected. In order to be eligible to attend and vote at the AGM, any holders of H Shares whose transfers have not been registered must deposit the transfer documents together with the relevant share certificates at the H Share registrar of the Company, Tricor Investor Services Limited, not later than 4:30 p.m. on Wednesday, 20 May 2020.
3. Holders of H Shares and Domestic Shares ("**Shareholders**") who intend to attend the AGM in person or by proxy should complete and sign the reply slip accompanying the notice of the AGM and return it to the Company's H Share registrar, applicable for the holders of H Shares on or before Saturday, 30 May 2020, or to the address of the company secretary of the Company (the "**Company Secretary**"), applicable for holders of Domestic Shares on or before Saturday, 30 May 2020 by hand, by post or by fax. Completion and return of the reply slip do not affect the right of a Shareholder to attend the AGM. However, the failure to return the reply slip may result in adjournment of the AGM, if the number of shares carrying right to vote represented by the Shareholders proposing to attend the AGM by reply slip does not reach more than half of total number of shares of the Company carrying right to vote at the AGM.
4. Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy need not be a shareholder of the Company. Each Shareholder who wishes to appoint proxy should first review the annual report of the Company for the year 2019 and the circular, which are despatched to Shareholders on Thursday, 16 April 2020.

5. A proxy shall be appointed by an instrument in writing (including the proxy form). Such instrument shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorised in writing. The instrument appointing the proxy shall be deposited at the Company's H Share registrar for holders of H Shares or at the address of the company secretary for holders of Domestic Shares not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Share registrar or the address of the company secretary (as may be applicable).
6. Shareholders or their proxies are required to produce their identification documents when attending the AGM.
7. All times refer to Hong Kong local time, except as otherwise stated.
8. Miscellaneous

- i. It is expected that the AGM will last for half a day. All attending Shareholders shall arrange for their transportation and accommodation and shall bear all their own expenses in connection with their attendance.
- ii. The address of the Company Secretary:

Company Secretary
Shanghai Prime Machinery Company Limited
2747 Songhua Jiang Road, Hongkou District
Shanghai, The People's Republic of China
Postal code: 200437

Tel: (8621) 64729900
Fax: (8621) 64729889
Contact Person: Mr. Ng Kwong, Alexander

- iii. The address of the Company's H Share registrar:

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Tel: (852) 2980 1333
Fax: (852) 2810 8185