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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)

CHANGE OF CHIEF EXECUTIVE

The board (the “**Board**”) of directors (the “**Directors**”) of Shanghai Prime Machinery Company Limited (the “**Company**”) hereby announces that Mr. Zhou Zhiyan (“**Mr. Zhou**”), currently having dual roles of Chairman of the Board and President of the Company, has resigned from the position of President with effect from 1 October 2020. Mr. Zhou will continue serving on the Board and Board committees.

Mr. Zhou, in his capacity as President, has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

The Board is pleased to announce that Mr. Chen Xuewen (陳學文) (“**Mr. Chen**”) has been appointed as the President of the Company with effect from 1 October 2020.

Details of Mr. Chen, which are required to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), are set out as follows:

Mr. Chen Xuewen, aged 45, has held various positions in Shanghai Electric Group Company Limited (listed on Shanghai Stock Exchange, stock code: 601727; and the Stock Exchange of Hong Kong Limited, stock code: 02727) and its subsidiaries from July 1998. From March 2012 to March 2017, Mr. Chen was the general manager of Shanghai Turbine Works Company Limited (上海汽輪機廠有限公司). From November 2012 to March 2015, Mr. Chen was a vice president of Shanghai Electric Power Generation Equipment Co., Ltd. (上海電氣電站設備有限公司). From December 2014 to September 2020, Mr. Chen was a vice president and was later promoted to senior vice president of Ansaldo Energia S.p.A. From September 2017 to September 2020, Mr. Chen was the vice chairman of Shanghai Electric Gas Turbine Co., Ltd. (上海電氣燃氣輪機有限公司) and the chairman of Shanghai Ansaldo Gas Turbine Technology Co., Ltd. (上海安薩爾多燃氣輪機科技有限公司). Mr. Chen graduated from Tsinghua University with a Bachelor of Engineering degree in Thermal Energy and Power Engineering in 1998 and from Shanghai Jiao Tong University with a Master of Business Administration degree in 2005. He is a senior engineer.

The emoluments of Mr. Chen will be determined in accordance with articles of association and the remuneration policy of the Company.

As at the date of this announcement, save as disclosed above, neither Mr. Chen (i) has any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (ii) holds any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) has any relationship with any directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company (as defined in the Listing Rule); or (iv) holds any other position in the Company or any of its subsidiaries. Save as disclosed above and as far as the Board is aware, there is no other matter relating to the proposed appointment of Mr. Chen that needs to be brought to the attention of the Shareholders, nor any other information that needs to be disclosed pursuant to the requirements of Rules 13.51(2) (h) to (v) of the Listing Rules.

Following the change of chief executive of the Company as set out above, the Company would be in compliance with A.2.1 of the Corporate Governance Code under Appendix 14 to the Listing Rules regarding the separation of the roles of chairman and chief executive.

Taking this opportunity, the Board would like to express its gratitude to Mr. Zhou for his valuable contribution to the Company in his capacity as the President and welcome Mr. Chen on his new appointment.

By order of the Board of
Shanghai Prime Machinery Company Limited
Ng Kwong, Alexander
Company Secretary

Shanghai, the PRC
30 September 2020

As at the date of this announcement, the Board consists of Executive Directors, namely Mr. Zhou Zhiyan, Mr. Zhang Mingjie, Mr. Si Wenpei, Mr. Xiao Yuman and Mr. Xia Sicheng; Non-executive Director, namely Mr. Dong Yeshun; and Independent Non-executive Directors, namely Mr. Ling Hong, Mr. Chan Oi Fat and Mr. Sun Zechang.