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SHANGHAI ELECTRIC GROUP COMPANY LIMITED
上海電氣集團股份有限公司
(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02727)



上海集優
SHANGHAI PRIME
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)

SHANGHAI PRIME MINGYU MACHINERY
TECHNOLOGY CO., LTD.*

上海集優銘宇機械科技有限公司

(a company incorporated in the People's Republic of China with limited liability)

JOINT ANNOUNCEMENT

PRE-CONDITIONAL PRIVATISATION PROPOSAL OF SPM BY THE OFFEROR BY WAY OF MERGER BY ABSORPTION

FULFILLMENT OF EFFECTIVENESS CONDITION TO THE MERGER AGREEMENT IN RELATION TO APPROVAL BY INDEPENDENT SEG SHAREHOLDERS

INTRODUCTION

Reference is made to the joint announcement issued by SEG, the Offeror and SPM (the “3.5 Announcement”) on 15 October 2020 in relation to the possible privatisation of SPM. Unless otherwise defined, capitalised terms used in this announcement have the same meanings as defined in the 3.5 Announcement.

FULFILLMENT OF EFFECTIVENESS CONDITION TO THE MERGER AGREEMENT IN RELATION TO APPROVAL BY INDEPENDENT SEG SHAREHOLDERS

As disclosed in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT – Conditions to the Merger Agreement becoming effective” in the 3.5 Announcement, the Merger Agreement will become effective upon the satisfaction of a number of Effectiveness Conditions, including, amongst others, the passing of the requisite ordinary resolution(s) in respect of the related party transactions (within the meaning of the SSE Listing Rules) under the Merger Agreement by the Independent SEG Shareholders at the SEG EGM.

The SEG EGM was convened and held on 25 November 2020, for the Independent SEG Shareholders to consider, and if thought fit, approve, amongst other things, the related party transactions (within the meaning of the SSE Listing Rules) under the Merger Agreement.

At the SEG EGM, the requisite ordinary resolution to approve the related party transactions (within the meaning of the SSE Listing Rules) under the Merger Agreement was duly passed. Accordingly, the Effectiveness Condition as set out under paragraph (3) in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT – Conditions to the Merger Agreement becoming effective” in the 3.5 Announcement has been fulfilled.

As at the date of this announcement, the Pre-Condition as set out in the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT – Pre-Condition to the Merger Agreement becoming effective” in the 3.5 Announcement, and the Effectiveness Conditions as set out in paragraphs (1), (2) and (4) under the section headed “3. PRINCIPAL TERMS OF THE MERGER AGREEMENT – Conditions to the Merger Agreement becoming effective” in the 3.5 Announcement remain outstanding.

Further announcement(s) will be made if and when appropriate in compliance with the Takeovers Code. Shareholders and potential investors of SEG and SPM are advised to refer to the announcements and other documents published by SEG and/or SPM from time to time on the website of the Stock Exchange for information regarding the privatisation proposal.

WARNING

The Pre-Condition and the Effectiveness Conditions must be satisfied before the Merger Agreement will become effective. The Merger Agreement becoming effective is therefore a possibility only. Further, even if the Merger Agreement becomes effective, the implementation of the Merger is subject to the Implementation Conditions set out in the 3.5 Announcement being satisfied (or waived, if applicable). Neither the Offeror, SEG nor SPM provides any assurance that any or all Pre-Condition or Conditions will be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, the Merger may or may not be implemented.

Shareholders and potential investors in the securities of SEG and SPM should therefore exercise caution when dealing in the securities of SEG or SPM. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

On behalf of the board
**Shanghai Electric Group
Company Limited**
(上海電氣集團股份有限公司)
Li Chung Kwong Andrew
Company Secretary

On behalf of the board
**Shanghai Prime Machinery
Company Limited**
(上海集優機械股份有限公司)
Ng Kwong, Alexander
Company Secretary

On behalf of the board
**Shanghai Prime Mingyu Machinery
Technology Co., Ltd.***
(上海集優銘宇機械科技有限公司)
Ma Xing
Director

25 November 2020

As at the date of this joint announcement, the SPM 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.

The directors of SPM jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to SEG, the Offeror and/or the concert parties of either of them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror or of SEG) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the executive directors of SEG are Mr. ZHENG Jianhua, Mr. HUANG Ou, Mr. ZHU Zhaokai and Mr. ZHU Bin; the non-executive directors of SEG are Ms. YAO Minfang and Ms. LI An; and the independent non-executive directors of SEG are Dr. XI Juntong, Dr. XU Jianxin and Dr. LIU Yunhong.

As at the date of this joint announcement, the director of the Offeror is Ms. Ma Xing.

The directors of SEG and of the Offeror jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than any information relating to SPM) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of SPM) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

** for identification purposes only*