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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 25 September 2018. Mr. Zhou will continue serving on the Board and Board committees.

Mr. Zhou confirmed that, in his capacity as President, he has no disagreement with the Board and there are no matters relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board is pleased to announce that Mr. Gou Jianhui (“**Mr. Gou**”) has been appointed as the Chief Executive Officer (總經理) of the Company with effect from 25 September 2018.

Mr. Gou, aged 56, has extensive experience in managing and growing multi-national industrial enterprises that are leading suppliers of important parts and components for industries such as automotive, railway and energy. Prior to joining the Company, Mr. Gou has been the managing director of Knorr-Bremse in China from 2017. He was appointed an executive director of China High Speed Transmission Equipment Group Co., Ltd. (stock code: 00658) in 2015 and held senior positions within that group from 2013. During 2004 to 2013, Mr. Gou was the managing director and president of Schaeffler Greater China. Mr. Gou started his career with FAG Schweinfurt in Germany in 1997 and was an academic at his alma mater, the Harbin Institute of Technology. Mr. Gou obtained a bachelor's and a master's degree in mechanical engineering from the Harbin Institute of Technology in China in 1982 and 1986, respectively. He also obtained a doctoral degree in engineering from the Technische Universität Braunschweig in Germany in 1997.

Under his service contract, Mr. Gou is entitled to an annual base compensation of RMB three million together with other benefits. He is also entitled to an annual bonus payment and an additional discretionary bonus depending on performance. Mr. Gou's initial term of service with the Company is three years starting from 25 September 2018.

As at the date of this announcement, save as disclosed above, Mr. Gou confirms that (i) he did not hold any directorships in any other listed company in Hong Kong or overseas in the last three years; (ii) he does not have any relationship with any Directors, members of senior management or substantial or controlling shareholders of the Company (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”)); (iii) he does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Hong Kong Laws). Save as disclosed above and as far as the Board is aware, there are no other matters relating to Mr. Gou’s appointment that need to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) 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. Gou on his new appointment.

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

Shanghai, the PRC, 26 September 2018

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