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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

NOTIFICATION TO CREDITORS IN RELATION TO THE PRIVATISATION PROPOSAL OF SPM BY THE OFFEROR BY WAY OF MERGER BY ABSORPTION

Financial Adviser to SEG and the Offeror



BNP PARIBAS

Independent Financial Adviser to the Independent Board Committee



SOMERLEY CAPITAL LIMITED

INTRODUCTION

Reference is made to (i) the joint announcement issued by SEG, the Offeror and SPM on 15 October 2020 in relation to the possible privatisation of SPM; (ii) the joint announcement issued by SEG, the Offeror and SPM on 3 November 2020 in relation to the extension of time for despatch of the Composite Document; (iii) the joint announcement issued by SEG, the Offeror and SPM on 25 November 2020 in relation to the fulfilment of the Effectiveness Condition to the Merger Agreement in relation to approval by Independent SEG Shareholders; (iv) the joint announcement issued by SEG, the Offeror and SPM on 4 December 2020 in relation to the fulfilment of the Pre-Condition; (v) the composite document issued by SEG, the Offeror and SPM on 11 December 2020 in relation to the Merger (the “**Composite Document**”); (vi) the joint announcement issued by SEG, the Offeror and SPM on 11 January 2021 in relation to the poll results of the SPM EGM and SPM H Shareholders’ Class Meeting; and (vii) the joint announcement issued by SEG, the Offeror and SPM on 20 January 2021 in relation to the implementation of the Merger.

Unless otherwise defined, capitalised terms used in this joint announcement have the same meanings as defined in the Composite Document. All references to dates and times contained in this joint announcement refer to Hong Kong date and times.

NOTIFICATION TO CREDITORS

The Offeror and SPM announce that the Offeror and SPM have each notified their respective creditors and made a public announcement of the Merger pursuant to the PRC Company Law in Wenhui Daily on 20 January 2021. Pursuant to the PRC Company Law, creditors may request the Offeror and SPM to pay off their respective indebtedness or provide guarantees within 30 days after the receipt of notice by the creditors or 45 days after the issue of announcement to creditors (whichever is later).

WARNING

Shareholders and potential investors in the securities of SEG should therefore exercise caution when dealing in the securities of SEG. 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

20 January 2021

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*