

Press release

Shanghai Prime Machinery (PMC) and Nedschroef join forces to form a world class fastener supplier

- Gilde Buy Out Partners and its co-shareholder Parcom Capital have agreed to sell Nedschroef to PMC
- PMC and Nedschroef combine aggregate group sales of almost EUR 1bn of which over EUR 600m in engineered fasteners
- New owner committed to support global expansion plans of Nedschroef
- Nedschroef will become part of a stable and financially solid group with a long term strategic horizon
- Nedschroef's management team is excited to continue leading Nedschroef's development within PMC. Headquarters will remain in Helmond, the Netherlands and all current production locations will be maintained

Shanghai/Hong Kong/Helmond, 28 May 2014 - **Shanghai Prime Machinery Company Limited (PMC), among the largest fasteners exporters in China, today announced it has signed a purchase agreement to acquire Koninklijke Nedschroef Holding B.V., one of the global leaders in engineered automotive fasteners. Nedschroef will benefit from an improved global reach through PMC, with a particular strength in China, while the acquisition provides PMC with a strategic entry into the high-end automotive fasteners business.**

PMC is a 49.6% controlled subsidiary of Shanghai Electric Group Corporation (SEC) and listed on the Hong Kong Stock Exchange. The current owners of Nedschroef are Gilde Buy Out Partners, Parcom Capital and company management, who value the transaction at an enterprise value of EUR 325 million. After completion of the transaction PMC and Nedschroef will have combined fastener sales of over EUR 600 million.

After having successfully weathered the global financial crisis and a subsequent period of expansion under the stewardship of its private equity owners Gilde and Parcom, Nedschroef will now enter into a new phase of its longstanding history. Nedschroef will become part of a powerful and well-funded diversified industrial group with a long-term horizon and vision to be the leading global fastener company. The transaction is a landmark accomplishment for Nedschroef and a testimony to its market leadership following years of consistent investments in its technical capabilities and state of the art facilities.

PMC will build on Nedschroef's intimate, longstanding relationships with leading OEM car manufacturers and suppliers around the globe and will gain a world class platform to further grow the company's fasteners division. PMC is committed to backing Nedschroef's global expansion strategy.

Continued high performance

Backed by its robust new owner, Nedschroef will continue to operate independently under its own brand name. Nedschroef's management team is excited to continue leading the development of the group within PMC. The headquarters will remain in Helmond, the Netherlands, and all of Nedschroef's current production locations will be maintained. Nedschroef will be the core of the global growth ambitions of PMC's fasteners division. At the same time it will be 'business as usual' for customers who can continue to count on best-in-class fastener products delivered on time, anywhere in the world. Also for employees there will be no changes as a result of the acquisition.

Nedschroef's experienced and qualified staff will play a critical role in the future development of the company. Their recognized expertise and outstanding know-how will significantly contribute to the future success of the group.

Mathias Hüttenrauch, CEO of Nedschroef, says: "I am very grateful to all at Nedschroef and our shareholders Gilde and Parcom for their contribution and unrelenting support over the past years. They've helped transform the company into what it has become. Building on centuries of experience, craftsmanship and a tradition of quality, I am convinced that with this important new step in Nedschroef's evolution we will be able to accelerate our global expansion program and take full advantage of the tremendous growth opportunities in Asia and elsewhere in the world. We vow to serve our customers with the best fastener product where they need it and when they need it."

Mr. Zhiyan Zhou, CEO of PMC, is looking forward to welcoming Nedschroef as part of PMC: "This is a great day for PMC. With the addition of Nedschroef, its excellent people, the technological expertise and the relationships with the major car manufacturers in Europe, we will be able to make a step change in our fasteners business. We will leverage their cutting edge expertise and Nedschroef will immediately benefit from our strong Asian footprint. This is very much a win-win situation."

Completion of the transaction is subject to the required approvals and merger clearance. As PMC is listed on the Hong Kong stock exchange, PMC will convene a shareholder meeting with regards to the Very Substantial Acquisition procedure under Hong Kong stock exchange regulations to request shareholder approval for the transaction. Nedschroef has informed its central works council and will seek its advice prior to Completion.

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About Nedschroef

Headquartered in Helmond, Netherlands and with over EUR 500 million of revenues Nedschroef is one of the world's largest suppliers of fasteners and other advanced, engineered cold forged components. Its clients are active in some of the most technically demanding industries including the automotive and aerospace industries. In addition, Nedschroef's machine division develops and produces machines and tools for the production of cold forged components for a variety of end markets. The company is a market-leading innovator in designing, developing and manufacturing advanced engineered fastener products for leading car manufacturers and suppliers around the globe. Nedschroef employs approximately 1,500 staff globally, the majority in the production facilities in Germany.

About PMC

Headquartered in Shanghai and with over EUR 400 million of revenues in 2013, PMC is an industrial group engaged in the design, manufacturing and sale of advanced machinery parts and components. Its fastener business is involved in the production of standard and specialized high strength fasteners. PMC also produces turbine blades, bearings, cutting tools and general machinery. It supplies to power plants, railway transportation, automotive, aerospace and aviation, etc. PMC is listed on the Hong Kong stock exchange (2345-HK) with Shanghai Electric Group Corporation ("SEC") as its largest (49.6%) shareholder. SEC generated around EUR 11 billion of revenues in 2013 with over 60,000 employees. PMC and Shanghai Electric have broad experience in working together with large companies in Western Europe, evidenced by successful cooperation's with large Western industrial players.