



**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 : 2727)**

**PRICE SENSITIVE INFORMATION**

**DISPOSAL OF SHANGHAI DIESEL PROPOSAL—**

**STATE-OWNED ASSETS SUPERVISION AND ADMINISTRATION COMMISSION OF  
THE STATE COUNCIL'S APPROVAL OF THE DISPOSAL PROPOSAL**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. Reference is made to the announcements of the Company dated 30 August 2007, 26 September 2007, 2 January 2008 and the circular dated 18 January 2008 (the "**Circular**"). Unless otherwise indicated, capitalized terms used in this announcement shall have the same meaning as those defined in the Circular.

The Board is pleased to announce that on 8 April 2008, the Company was notified that the approval from the State-owned Assets Supervision and Administration Commission of the State Council, one of the conditions precedent to the Disposal proposal, has been obtained.

**However, investors are cautioned that as at the date of this announcement, the Company has not yet obtained all requisite approvals to the Disposal proposal. In particular, the Disposal is still subject to the approval from the foreign investment authority and China Securities Regulatory Commission.**

**There is no assurance that the Disposal will proceed. Investors are advised to exercise caution in dealing in the H Shares. Further details about the Disposal will be disclosed by the Company in due course in the PRC when the Disposal materializes and the relevant information will be made available concurrently by the Company for public inspection in accordance with Chapter 2 of Hong Kong Listing Rules and for viewing on the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> under "Latest Listed Companies Information" and on the website of the Company at <http://www.shanghai-electric.com>.**

By Order of the Board

**Shanghai Electric Group Company Limited**

**Xu Jianguo**

*Chairman*

Shanghai, the PRC, 8 April 2008

*As at the date of this announcement, the executive Directors of the Company are, Mr. XU Jianguo,*

*Mr. HUANG Dinan, Ms. LI Manping, Mr. YU Yingui, the non-executive Directors of the Company are Mr. ZHU Kelin, Ms. YAO Minfang, and the independent non-executive Directors of the Company are Dr. YAO Fusheng, Dr. CHEUNG Wai Bun and Mr. LEI Huai Chin.*