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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2011 annual general meeting (the "AGM") of Shanghai Electric Group Company Limited (the "Company") will be convened at 9:00 a.m. on 29 May 2012 at Banquet Hall, 2/F, Rainbow Hotel, No. 2000 Yanan West Road, Shanghai, the PRC to consider and, if thought fit, to pass the following resolutions. Unless otherwise indicated, the capitalised terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 6 April 2012 to convene the AGM.

AS ORDINARY RESOLUTIONS:

1. To consider and approve the annual report of the Company for the year ended 31 December 2011.
2. To consider and approve the report of the Board for the year ended 31 December 2011.
3. To consider and approve the report of the Supervisory Committee for the year ended 31 December 2011.
4. To consider and approve the report of the auditors, the audited financial statements and the financial results of the Company for the year ended 31 December 2011.
5. To consider and approve the profit distribution plan of the Company for the year ended 31 December 2011.
6. To consider and approve the re-appointment of Ernst & Young Hua Ming as the Company's PRC auditor and Ernst & Young as the Company's international auditor for the financial year ended 31 December 2012.
7. To consider and approve the ratification of emoluments paid to the Directors and Supervisors (non-employee representatives) for the year ended 31 December 2011 and the authorization of the Board to determine the emoluments of the Directors and Supervisors (non-employee representatives) for the year ended 31 December 2012.

** For identification purpose only*

8. To consider and approve the renewal of liability insurance for the Directors, Supervisors and senior management of the Company, authorise the Board to determine any adjustments to the limits of liability and premiums and authorise the management of the Company to handle issues relating to the liability insurance on a yearly basis including but not limited to selection of the insurance company and execution of insurance contracts.
9. To consider and approve the proposed a letter of guarantee and electronic banker's acceptance with total amount of RMB305.33 million issued by Shanghai Electric Group Finance Co., Ltd. in respect of loans to be granted to the subsidiaries of Shanghai Electric (Group) Corporation.
10. To consider and approve the proposed transfer of certain investment projects funded by the proceeds from the Private Offering.
11. To consider and approve the proposed perpetual allocation of the surplus of the proceeds from the Private Offering to the working capital of the Company.
12. To consider and approve the Waiver and Renewal of CCT between the Company and Siemens.
 - (1) To consider and approve the Waiver from Strict Compliance with Rule 14A.35(1) of the Listing Rules; and
 - (2) To consider and approve the Renewal of CCT between the Company and Siemens.

AS SPECIAL RESOLUTION:

1. To consider and approve the proposed amendments to the Articles of Association and relevant procedures:
 - (1) To consider and approve the proposed amendments to the Articles of Association;
 - (2) To consider and approve the proposed amendments to the Rules and Procedures for Shareholders' General Meeting; and
 - (3) To consider and approve the proposed amendments to the Rules and Procedures for the Meeting of the Board of Directors.

Yours faithfully,
By order of the board of directors
SHANGHAI ELECTRIC GROUP COMPANY LIMITED
Xu Jianguo
Chairman of the Board

Shanghai, the PRC, 6 April 2012

As at the date of this circular, the executive directors of the Company are Mr. XU Jianguo, Mr. HUANG Dinan, Ms. XU Ziyang and Mr. YU Yingui; the non-executive directors of the Company are Mr. ZHU Kelin and Ms. YAO Minfang; and the independent non-executive directors of the Company are Mr. ZHU Sendi, Dr. CHEUNG Wai Bun and Dr. LUI Sun Wing.

Notes:

1. The voting at the AGM shall be conducted by way of poll.
2. The holders of A Shares and H Shares will vote as one class of shareholders. The Company's register of members for the H Shares will be closed from 29 April 2012 to 29 May 2012, both days inclusive and from 2 June 2012 to 7 June 2012, both days inclusive, during which period no transfer of H Shares will be effected. The holders of H Shares whose names appear on the Company's register of members on 29 May 2012 and on 7 June 2012 are entitled to attend the AGM and receive the final dividends. In order to qualify for attending the AGM, the holders of H Shares whose transfers have not been registered must deposit transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on 27 April 2012. In order to qualify for receiving the final dividends, the holders of H Shares whose transfers have not been registered must deposit transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on 1 June 2012. The address of Computershare Hong Kong Investor Services Limited is Room 1712-1716, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The final dividends are expected to be paid no later than 27 July 2012 after it is approved at the AGM.
3. Each Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Shareholder. Each Shareholder who wishes to appoint one or more proxies should first review the annual report of the Company for the year end 31 December 2011 and the circular of the Company dated 6 April 2012 in respect of the AGM.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his attorney duly authorised in writing. If the Shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised attorney(s). If that instrument is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarized.
5. In order to be valid, the form of proxy together with the power of attorney or other authorisation document (if any) signed by the authorised person or notarially certified power of attorney must be deposited to the Computershare Hong Kong Investor Services Limited for holders of H Shares at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the AGM if he/she so wishes.
6. Shareholders who intend to attend the AGM in person or by proxy should return the reply slip to Computershare Hong Kong Investor Services Limited for holders of H Shares on or before 9 May 2012. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
7. The AGM is expected to last for no more than half a day. Shareholders (or their proxies) attending the meeting are responsible for their own transportation and accommodation expenses. Shareholders (or their proxies) attending the meeting shall present identity certification.