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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)

VOLUNTARY ANNOUNCEMENT

Reference is made to the announcement of Shanghai Electric Group Company Limited (the “**Company**”) dated 14 August 2016 in relation to the proposed acquisition of 100% equity interests in TEC4AERO GmbH by Shanghai Electric Hongkong Co. Limited, a wholly-owned subsidiary of the Company, at a consideration of EUR173,536,000. Unless otherwise indicated, the capitalized terms used in this announcement shall have the same meaning as those defined in the above announcement.

The Company is pleased to announce that Shanghai Electric Hongkong Co. Limited completed the acquisition of 100% equity interests in TEC4AERO GmbH on 20 October 2016 (German time).

By order of the Board
Shanghai Electric Group Company Limited
Huang Dinan
Chairman of the Board

Shanghai, the PRC, 21 October 2016

As at the date of this announcement, the executive Directors of the Company are Mr. HUANG Dinan, Mr. ZHENG Jianhua and Mr. HUANG Ou; the non-executive Directors of the Company are Mr. LI Jianjin, Mr. ZHU Kelin and Ms. YAO Minfang; and the independent non-executive Directors of the Company are Dr. LUI Sun Wing, Mr. KAN Shun Ming and Dr. CHU Junhao

** For identification purpose only*