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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)

ANNOUNCEMENT

DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement dated 30 August 2018 (the "**Announcement**") made by Shanghai Electric Group Company Limited (the "**Company**") in relation to, among other things, the transactions contemplated under (i) the Construction Contract to be entered into between Electric Engineering, an indirect wholly-owned subsidiary of the Company, and Thar Company, pursuant to which Electric Engineering proposed to construct the Power Station at the consideration of US\$408,600,000; and (ii) the Supply Contract to be entered into among the Company, Shanghai Electric HK, a wholly owned subsidiary of the Company, and Thar Company, pursuant to which the Company and Shanghai Electric HK proposed to supply relevant equipment for the construction of the Power Station at the consideration of US\$953,400,000, and the announcement of the Company dated 19 September 2018 in respect of the delay in despatch of circular. Terms defined in the Announcement shall have the same meaning when used herein unless the context herein requires otherwise.

As stated in the abovementioned announcements, a circular containing, among other things, (i) further details of the transactions contemplated under the Construction Contract and the Supply Contract; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and Independent Shareholders regarding the transactions contemplated under the Construction Contract and the Supply Contract; and (iv) the notice convening the EGM, is expected to be dispatched to Shareholders no later than 26 September 2018.

As additional time is required for finalizing the circular, the Company plans to despatch the circular on or before 2 October 2018.

By order of the Board
Shanghai Electric Group Company Limited
ZHENG Jianhua
Chairman of the Board

Shanghai, the PRC, 26 September 2018

As at the date of this announcement, the executive directors of the Company are Mr. ZHENG Jianhua, Mr. HUANG Ou, Mr. ZHU Zhaokai and Mr. ZHU Bin; the non-executive directors of the Company are Ms. YAO Minfang and Ms. LI An; and the independent non-executive directors of the Company are Mr. KAN Shun Ming, Dr. CHU Junhao and Mr. XI Juntong.

** For identification purpose only*