上海电气
SHANGHAI ELECTRIC

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)

Second Form of proxy for the Extraordinary General Meeting in 2006 to be held on 12 September 2006

I/We *(Note 1)* _____
of _____
being the registered holder(s) of *(Note 2)* _____ domestic shares/H shares of RMB1.00 each in the share capital of Shanghai Electric Group Company Limited (the "Company") **HEREBY APPOINT THE CHAIRMAN OF THE MEETING** *(Note 3)* or _____
of _____
as my/our proxy to attend and act for me/us at the Extraordinary General Meeting of the Company to be held at Grand Ball Room A, 3/F, Sheraton Grand Tai Ping Yang Hotel Shanghai, No. 5 Zunyi Nan Road, Shanghai, the People's Republic of China at 10:00 a.m. on 12 September 2006 (the "**Meeting**") (and any adjournment thereof) for the purpose of considering and, if thought fit, passing the resolutions as set out in the notice convening the Meeting and at the Meeting (and at any adjournment thereof) to vote for me/us and in my/our name(s) in respect of the resolutions as indicated below *(Note 4)*.

	ORDINARY RESOLUTIONS	FOR *(Note 4)*	AGAINST *(Note 4)*
1.	To consider, approve, ratify and confirm the Supplemental Framework Purchase Agreement dated 29 June 2006 and the non-exempt continuing connected transactions contemplated thereunder.		
2.	To consider, approve, ratify and confirm the non-exempt continuing connected transactions with the Siemens Group as described in the Circular.		
3.	To consider, approve, ratify and confirm the Framework Financial Services Agreements each dated 29 June 2006 and the non-exempt continuing connected transactions contemplated thereunder.		
4.	To consider and approve the appointment of Mr. Xu Jianguo as the executive director of the Company.		

Date: _____ 2006 Signature(s) *(Note 5)*: _____

1. Full name(s) and address(es) must be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares registered in your name(s) to which this proxy relates. If no number is inserted, this second form of proxy will be deemed to relate to all shares registered in your name(s). Please also strike out the type of shares (domestic shares or H shares) to which the proxy does not relate.
3. If any proxy other than the Chairman of the Meeting is preferred, strike out the words "THE CHAIRMAN OF THE MEETING" and insert the name and address of the proxy desired in the space provided. A shareholder entitled to attend and vote at the Meeting may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company but must attend the Meeting in person to represent you. **ANY ALTERATION MADE TO THIS SECOND FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK IN THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK IN THE BOX MARKED "AGAINST".** If no direction is given, your proxy may vote or abstain at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those referred to in the notice convening the Meeting.
5. This second form of proxy must be signed by you or your attorney duly authorised in writing. In case of a corporation, the same must be either under its common seal or under the hand of its director(s) or duly authorised attorney(s). If the second form of proxy is signed by an attorney of the shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.
6. In case of joint holders of any share, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such shares as if he is solely entitled thereto. However, if more than one of such joint holders are present at the Meeting, personally or by proxy, the vote of the joint holder whose name stands first in the register of members and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint holder(s).
7. In order to be valid, the second form of proxy together with the power of attorney or other authorisation document (if any) must be deposited at the Secretariat of the Board of Directors of the Company for holders of domestic shares and at the H share registrar of the Company for holders of H shares not less than 24 hours before the time fixed for holding the meeting 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 meeting if he so wishes. The H share registrar of the Company is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
8. A Shareholder who has not lodged the first proxy form in accordance with the instructions printed thereon is requested to lodge the second proxy form if he or she wishes to appoint proxies to attend the EGM on his or her behalf. In this case, the first proxy form should not be lodged.
9. A Shareholder who has already lodged the first proxy form in accordance with the instructions printed thereon should note that:
   (i) if no second proxy form is lodged in accordance with the instructions printed thereon, the first proxy form, if correctly completed, will be treated as a valid proxy form lodged by him or her;
   (ii) if the second proxy form is lodged in accordance with the instructions printed thereon, the second proxy form, or the new proxy form, if correctly completed, will be treated as a valid proxy form lodged by the Shareholder and will revoke and supersede the first proxy form previously lodged by him or her;
   (iii) if the second proxy form, or the new proxy form, is lodged after the closing time set out in the notice of postponement of EGM, the second proxy form will be invalid. However, it will revoke the first proxy form previously lodged by the Shareholder, and any vote that may be cast by the purported proxy (whether appointed under the first proxy form or the second proxy form) will not be counted in any poll which may be taken on a proposed resolution. Accordingly, Shareholders are advised not to lodge the second proxy form after the specified closing time. If such Shareholders wish to vote at the EGM, they will have to attend in person and vote at the EGM themselves.
10. Shareholders or their proxies attending the Meeting shall produce their identity documents.