



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)

VOTING RESULTS OF 2006 SECOND EXTRAORDINARY GENERAL MEETING HELD ON 12 SEPTEMBER 2006

AND

APPOINTMENT OF CHAIRMAN, CHIEF EXECUTIVE OFFICER

The Board is pleased to announce that the Extraordinary General Meeting ("EGM") was held on 12 September 2006 and the resolutions proposed in the Circular were duly passed by the Shareholders by way of a poll.

Reference is made to the announcement of the Company dated 29 June 2006, the circular dated 15 July 2006 and the supplemental circular dated 29 August 2006 ("Circular"). Unless otherwise defined, capitalized terms used in this announcement shall be the same meanings as defined in the Circular.

Results of the EGM

The Board is pleased to announce that the EGM was held at 10:00 a.m. on Tuesday, 12 September 2006 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. The holding of the EGM was in compliance with the requirements of the Company Law of the People's Republic of China (amended in 2005) and the provisions of the Articles of Association of the Company. Mr. Huang Dinan, the executive director of the Company, was elected by the Board to act as the chairman of the EGM and preside over the EGM. The poll results in respect of the proposed resolutions at the EGM are as follows:

ORDINARY RESOLUTIONS		Total number of votes	
		For	Against
1.	To approve, ratify and confirm the Supplemental Framework Purchase Agreement dated 29 June 2006 and the non-exempt continuing connected transactions contemplated thereunder	3,568,362,398 (100%)	0 (0%)
	As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.		
2.	To approve, ratify and confirm the non-exempt continuing connected transactions with the Siemens Group as described in the Circular	9,702,749,732 (100%)	0 (0%)
	As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.		
3.	To approve, ratify and confirm the Framework Financial Services Agreements, each dated 29 June 2006 and the non-exempt continuing connected transactions contemplated thereunder	3,568,362,398 (100%)	0 (0%)
	As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.		
4.	To approve, ratify and confirm the appointment of Mr. Xu Jianguo as the executive director of the Company with immediate effect	9,441,420,033 (100%)	0 (0%)
	As more than 50% of the votes were cast in favour of this resolution, the resolution was duly passed as an ordinary resolution.		

Pursuant to the provision of 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting for Resolutions 1 to 3 were taken by poll, while poll voting for Resolution 4 was demanded by the chairman of the EGM. Computershare Hong Kong Investor Services Limited, the Company's H share registrar, in conjunction with Jun He Law Offices Shanghai office, the Company's PRC legal advisers, acted as scrutineers in respect of the voting at the EGM and examined the above poll voting results based on the completed and signed poll voting forms collected by the Company. As at the date of the EGM, the total number of issued shares of the Company was 11,891,648,000 shares.

Ordinary Resolution 1

The total number of shares entitling the holder to attend and vote for or against the Resolution 1 was 5,757,260,666 shares, representing 48.41% of the total issued share capital of the Company. As disclosed in the Circular, Shanghai Electric (Group) Corporation who held 6,134,387,334 shares, representing 51.59% of the total issued share capital of the Company, was restricted to vote for the Resolution 1. The Shareholders, holding in aggregate 3,568,362,398 shares, representing about 61.98% of the holders casting vote on the Resolution 1 were present in person or by proxy at the EGM.

Ordinary Resolution 2

The total number of shares entitling the holder to attend and vote for or against the Resolution 2 was 11,743,002,000 shares, representing 98.75% of the total issued share capital of the Company. As disclosed in the Circular, Siemens International Holding B.V. who held 148,646,000 shares, representing 1.25% of the total issued share capital of the Company, was restricted to vote for the Resolution 2. The Shareholders, holding in aggregate 9,702,749,732 shares, representing about 82.63% of the holders casting vote on the Resolution 2 were present in person or by proxy at the EGM.

Ordinary Resolution 3

The total number of shares entitling the holder to attend and vote for or against the Resolution 3 was 5,757,260,666 shares, representing 48.41% of the total issued share capital of the Company. As disclosed in the Circular, Shanghai Electric (Group) Corporation who held 6,134,387,334 shares, representing 51.59% of the total issued share capital of the Company, was restricted to vote for the Resolution 3. The Shareholders, holding in aggregate 3,568,362,398 shares, representing about 61.98% of the holders casting vote on the Resolution 3 were present in person or by proxy at the EGM.

Ordinary Resolution 4

The total number of shares entitling the holder to attend and vote for or against the Resolution 4 was 11,891,648,000 shares, representing 100% of the total issued share capital of the Company. There were no restrictions on any shareholder casting votes on the Resolution 4 at the EGM. The Shareholders, holding in aggregate 9,441,420,033 shares, representing about 79.40% of the existing issued share capital of the Company were present in person or by proxy at the EGM.

Appointment of Executive Director

The Board of the Company is pleased to announce that Mr. Xu Jianguo was elected as executive director of the Company at the EGM.

Mr. Xu Jianguo, aged 55, graduated from Shanghai University of Finance and Economics and was awarded a bachelor degree in Industrial Economics. He also holds a master degree in Economics. He is a senior economist and a part-time lecturer of Shanghai University of Finance and Economics. Mr. Xu had been the deputy manager of Shanghai Daily-used Chemical Industrial Company (上海日用化學工業公司), assistant director of Shanghai Light Industry Bureau, deputy director of Shanghai Light Industry Bureau, secretary of the communist party of Shanghai Light Industry Bureau, deputy director of the Economic Committee of Shanghai, regional supervisor of Baoshan, Shanghai, regional supervisor of Huangpu, Shanghai, deputy secretary of the Peoples Government of Shanghai, and director of the Economic Committee of Shanghai. Mr. Xu is currently the chairman of Shanghai Electric (Group) Corporation.

The Company has appointed Mr. Xu as Executive Director at the EGM, with the term of service until 27 September 2007. Other than the fact that he is currently the chairman of Shanghai Electric (Group) Corporation, Mr. Xu does not have any other relationship with any director, supervisor, senior management or substantial or controlling shareholder of the Company. As at the date of this announcement, Mr. Xu does not have any interests in the shares in the Company within the meaning of Part XV of the SFO. There is no service contract entered between Mr. Xu and the Company, and neither any remuneration nor benefit has been paid or will be payable to Mr. Xu regarding his appointment.

Save as mentioned above, there is no information which is discloseable nor is/was Mr. Xu involved in any of the matters required to be disclosed pursuant to 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules").

Appointment of Chairman, Chief Executive Officer

Mr. Xu Jianguo was appointed as chairman and chief executive officer of the Company at the Board meeting held on 12 September 2006.

As at the date of this announcement, there are 14 Directors on the Board, consisting of 6 Executive Directors, 5 Non-executive Directors and 3 Independent Non-executive Directors. They are: Xu Jianguo, Chen Longxing, Huang Dinan, Wang Qiang, Li Manping, Yu Yingui as Executive Directors; Zhu Kelin, Yao Qun, Lin Haitao, Wang Minwen, Li Songjian as Non-executive Directors; and Yao Fusheng, Cheung Wai Bun, Lei Huai Chin as Independent Non-executive Directors.

By Order of the Board
Shanghai Electric Group Company Limited
Xu Jianguo
Chairman

Shanghai, the PRC, 12 September 2006

"Please also refer to the published version of this announcement in South China Morning Post."