

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

TRANSFER OF 61.35% EQUITY INTEREST IN SHANGHAI TOPSOLAR GREEN ENERGY CO., LTD.

The board of directors (the **Board**) of Shanghai Electric Group Company Limited (the **Company**) announced that through the Shanghai United Assets and Equity Exchange, the Company transferred to Jiangsu King Sun Power Co., Ltd. (江苏金太阳电力有限公司) 61.35% of the total equity in Shanghai Topsolar Green Energy Co., Ltd. (**Topsolar**) owned by the Company at a consideration of RMB162,662,811 (the **Transfer**) on 27 December 2010. A transfer agreement in relation to the Transfer between the Company and Jiangsu King Sun Power Co., Ltd. was entered into on 20 December 2010.

Topsolar is a joint venture company incorporated in China in 2002, the products of which include varieties of photovoltaic modules and photovoltaic power generation system. After the completion of the Transfer, the Company will no longer hold any equity interest in Topsolar. The Board believes this is in line with the Company's strategy to focus on its principal business and dispose certain non-core business assets out of the group comprising the Company and its subsidiaries.

This announcement is made on a voluntary basis.

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

Shanghai, the PRC, 27 December 2010

As at the date of this announcement, the executive directors of the Company are Mr. XU Jianguo, Mr. HUANG Dinan, Mr. ZHANG Suxin 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.

** For identification purpose only*