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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

PROPOSED CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE OF MEMBERS OF BOARD COMMITTEES

The board of directors (the “**Board**”) of Shanghai Electric Group Company Limited (the “**Company**”) hereby announces the followings:

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Company recently received the resignation letter tendered by Dr. CHU Junhao (“**Dr. CHU**”), an independent non-executive director of the Company. As Dr. CHU has held his office as an independent non-executive director of the Company for 6 years, in accordance with relevant regulatory requirements on the length of service of independent directors of listed companies under PRC laws, Dr. CHU resigned as an independent non-executive director, the chairman and a member of the remuneration committee, the chairman and a member of the nomination committee, a member of the audit committee, and a member of the strategy committee of the Company. Dr. CHU will cease to hold any position in the Company after his resignation.

Dr. CHU confirms that there is no disagreement between himself and the Board during his term of office and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

Pursuant to the relevant provisions under the Guidelines for Introducing Independent Directors to the Board of Directors of Listed Companies and the Articles of Association of the Company, the resignation of Dr. CHU will result in the number of independent non-executive directors of the Company being less than one-third of the total number of directors. Dr. CHU will continue to perform the duties as an independent non-executive director of the Company until the election of a new independent non-executive director at the general meeting of the Company.

The Board wishes to express its sincere appreciation and respect to Dr. CHU for his diligent work for the development of the Company during his term of office.

PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board agreed to nominate Dr. LIU Yunhong as the candidate for independent non-executive director of the fifth session of the Board of the Company. The term of his office will start from the date on which his appointment is approved at the general meeting to the end of the term of the fifth session of the Board.

The biography details of Dr. LIU Yunhong is as follows:

LIU Yunhong (“**Dr. LIU**”), aged 44, currently serves as the deputy head of the Institute of International M&A and Investment of Renmin University of China and the head of Foresea Life Insurance (Shanghai) Research Institute, an independent director of Shanghai Aerospace Automobile Electromechanical Co., Ltd., an independent director of Bank of Guiyang Co., Ltd., an adjunct professor and tutor of postgraduates of Renmin University of China, Shanghai University of Finance and Economics and East China University of Political Science and Law. Dr. LIU has served as the head of Legal and Compliance Division of Guotai Asset Management Co., Ltd., did post-doctoral research work at the Shanghai Stock Exchange, served as general manager of Investment Banking Department of Aerospace Securities Co., Ltd. and successively served as the general manager of the Investment Banking Department and the assistant to president of Hwabao Securities Co. Ltd.. Dr. LIU obtained a doctorate’s degree in law from Renmin University of China, and is a post-doctoral fellow in economics and law and a research fellow by professional title.

Save as disclosed above, Dr. LIU has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; Dr. LIU does not have any relationship with any directors, supervisors, senior management, substantial or controlling shareholders of the Company within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”); as at the date of this announcement, Dr. LIU does not have any interest in the shares of the Company or its associated companies within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); during Dr. LIU’s term of office being an independent non-executive director of the Company, the amount of Dr. LIU’s emoluments will be determined based on a number of factors, including the operating results of the Company, his responsibilities, performance and market conditions. As at the date of this announcement, the Company has not yet entered into any director service contract with Dr. LIU.

Save as disclosed above, there is no other information in relation to the appointment of Dr. LIU which is required to be disclosed pursuant to the requirements set out in Rules 13.51(2) (h) to (v) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders.

The Company will convene an extraordinary general meeting to approve the proposal to appoint Dr. LIU as an independent nonexecutive director. A circular containing, among other things, details of the appointment and notice of the extraordinary general meeting will be dispatched to the Shareholders in due course.

CHANGE OF MEMBERS OF BOARD COMMITTEES

The Board is pleased to announce that Dr. XI Juntong was appointed as the chairman and a member of the remuneration committee as well as the chairman and a member of the nomination committee, and the term of his office will start from 28 August 2020 to the end of the term of the fifth session of the Board; Dr. XU Jianxin was appointed as a member of the strategy committee of the Company, and the term of his office will start from 28 August 2020 to the end of the term of the fifth session of the Board.

By order of the Board

Shanghai Electric Group Company Limited

ZHENG Jianhua

Chairman of the Board

Shanghai, the PRC, 28 August 2020

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 Dr. CHU Junhao, Dr. XI Juntong and Dr. XU Jianxin.

** For identification purpose only*