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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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE REPURCHASE OF H SHARES

Reference is made to the circular of Shanghai Electric Group Company Limited (the “**Company**”) dated 12 June 2020 and the announcement of the Company dated 29 June 2020.

The Company convened the annual general meeting, the class meeting for holders of H shares of the Company (the “**H Shares**”) and the class meeting for holders of A shares of the Company (the “**A Shares**”) on 29 June 2020, and granted a general mandate (the “**Repurchase Mandate**”) to the board (the “**Board**”) of directors (the “**Directors**”) of the Company to determine the repurchase of H Shares not exceeding 10% of the aggregate nominal value of H Shares in issue at the time when the relevant resolution was passed. On the same day, the Board resolved to invest a total of no more than RMB100 million or the equivalent of Hong Kong dollars for the repurchase of no more than 50,000,000 H Shares in aggregate in a timely manner within the relevant authorisation period under the Repurchase Mandate.

Upon the aforementioned authorisation being obtained, the Company had further notified its creditors, details of which were set out in the A Share announcement of the Company dated 29 June 2020. On 10 September 2020, the Company exercised its power under the general mandate to repurchase 16,348,000 H Shares on the The Stock Exchange of Hong Kong Limited at the range of highest and lowest prices of HK\$2.32 and HK\$2.20 per Share, respectively (the “**Share Repurchase**”). The aggregate purchase price paid for the Share Repurchase was HK\$37,330,980.00. The H Shares under the Share Repurchase represent approximately 0.55% of the number of issued H Shares of the Company, and approximately 0.11% of the total number of issued shares of the Company immediately prior to the Share Repurchase.

Pursuant to the provisions of the articles of association of the Company, the Company will complete procedures of cancellation of relevant H Shares in a timely manner.

The financial position of the Company is solid and healthy. The Board believes the Share repurchase is in the interests of the Company and its shareholders as a whole.

Shareholders of the Company and potential investors should note that any further repurchase of Shares by the Company will be subject to market conditions and will be at the Board's absolute discretion. There is no assurance of the timing, quantity or price of any Share repurchases or whether or not the Company will make any further repurchases at all. Therefore, shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

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

Shanghai, the PRC, 10 September 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*