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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: 02727)

ANNOUNCEMENT ON ESTIMATED LOSS FOR INTERIM RESULTS OF 2022

This announcement is made by Shanghai Electric Group Company Limited (the "**Company**") pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and Rule 13.09(2) of the Listing Rules.

I. ESTIMATED RESULTS FOR THE PERIOD

(I) Period of the estimated results

1 January 2022 to 30 June 2022

(II) Estimated results

1. Based on the preliminary review by the financial department of the Company, the net profit attributable to shareholders of the Company for the half-year of 2022 is estimated to be between RMB-1.16 billion to RMB-0.96 billion.

2. The net profit attributable to shareholders of the Company after deducting non-recurring gain or loss for the half-year of 2022 is expected to be between RMB-1.56 billion to RMB-1.30 billion.

(III) The estimated results have not been audited by accounting firms.

II. RESULTS FOR THE CORRESPONDING PERIOD OF LAST YEAR

(I) The net profit attributable to shareholders of the Company for the half-year of 2021 was RMB-4.971 billion. The net profit attributable to shareholders of the Company after deducting non-recurring gain or loss for the half-year of 2021 was RMB-5.609 billion.

(II) Basic earnings per share of the Company for the half-year of 2021 was RMB-0.32 per share.

III. MAJOR REASONS FOR THE EXPECTED LOSS FOR THE PERIOD

The main reasons for the loss in net profit attributable to shareholders of the Company for the half-year of 2022 are as follows:

1. During the reporting period, raw material prices increased and costs such as logistics and labor costs increased on a year-on-year basis, and at the same time, some of the Company's production and operation subsidiaries experienced suspension of operation and production, logistics difficulties and delivery delays, etc., resulting in a year-on-year decrease in revenue. The above factors had a negative impact on the Company's profit for the reporting period of approximately RMB1.90 billion to RMB2.28 billion.

2. During the reporting period, the production and operation results of the Company's associates and joint ventures decreased on a year-on-year basis, resulting in a decrease in the Company's investment income from associates and joint ventures by approximately RMB0.27 billion to RMB0.33 billion as compared to the corresponding period of last year.

IV. RISK WARNING

As at the date of this announcement, there are no material uncertainties affecting the accuracy of the contents of the estimated results.

V. OTHER MATTERS

The estimated data set out above are only preliminary accounting data. The specific and accurate financial data will be duly disclosed in the interim report of the Company for 2022.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Shanghai Electric Group Company Limited
LENG Weiqing
Chairlady of the Board

Shanghai, the PRC, 14 July 2022

As at the date of this announcement, the executive directors of the Company are Ms. LENG Weiqing, Mr. LIU Ping and Mr. ZHU Zhaokai; the non-executive directors of the Company are Mr. GAN Pin, Ms. YAO Minfang and Ms. LI An; and the independent non- executive directors of the Company are Dr. XI Juntong, Dr. XU Jianxin and Dr. LIU Yunhong.

* *For identification purpose only*