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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 ON ESTIMATED PROFIT FOR INTERIM RESULTS OF 2023

This announcement is made by the board of directors of Shanghai Electric Group Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and with reference to Rule 13.10B of the Listing Rules.

I. ESTIMATED RESULTS FOR THE PERIOD

(I) Period of the estimated results

1 January 2023 to 30 June 2023.

(II) Estimated results

Based on the preliminary review by the financial department of the Company,

1. the net profit attributable to shareholders of the Company for the half-year of 2023 is estimated to be between RMB0.55 billion to RMB0.65 billion;
2. the net profit attributable to shareholders of the Company after deducting non-recurring gain or loss for the half-year of 2023 is expected to be between RMB0.20 billion to RMB0.27 billion.

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

II. OPERATION RESULTS AND FINANCIAL POSITION FOR THE CORRESPONDING PERIOD OF LAST YEAR

(I) The net loss attributable to shareholders of the Company for the half-year of 2022 was RMB0.991 billion. The net loss attributable to shareholders of the Company after deducting non-recurring gain or loss for the half-year of 2022 was RMB1.351 billion.

(II) Basic earnings per share of the Company for the half-year of 2022 was RMB-0.06 per share.

III. MAJOR REASONS FOR THE EXPECTED TURNAROUND FROM LOSS TO PROFIT FOR THE PERIOD

The main reasons for the turnaround from loss to profit attributable to shareholders of the Company for the half-year of 2023 are as follows:

1. During the reporting period, the Company focused on its main business, actively explored the markets and optimized its industrial structure, leading to an increase in operating revenue over the corresponding period last year;
2. During the reporting period, the Company continued to improve on its management efficiency, and increased its investment in scientific research to enhance its product competitiveness, leading to an increase in gross profit margin compared to the corresponding period last year;
3. At the end of the reporting period, the fair value of financial assets held by the Company has increased compared with the beginning of the period.

It is estimated that the above factors posed an impact of approximately RMB1.4 billion to RMB1.7 billion on the Company's profit during the reporting period.

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 results set out above are only preliminary accounting data. The final financial data shall be subject to the 2023 interim report duly disclosed by the Company.

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, 12 July 2023

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 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*