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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 THE PROPOSED NON-PUBLIC ISSUANCE OF
EXCHANGEABLE CORPORATE BONDS BY THE CONTROLLING
SHAREHOLDER**

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.

On 23 January 2024, the Company received a notice from Shanghai Electric Holding Group Co., Ltd. (“**SEGC**”), the controlling shareholder of the Company, that SEGC proposing to use part of the A shares of the Company held by SEGC and its yields (including share conversion, bonus issue and cash dividend, excluding additional shares from subsequent share issue and allotment, and cash dividends, which have been declared prior to the registration of pledge and should be attributable to SEGC) as the exchange objects for the non-public issuance of exchangeable corporate bonds (the “**Exchangeable Bonds**”).

According to the notice, the term of the proposed non-public issuance of exchangeable corporate bonds by SEGC will not exceed 5 years (inclusive); and the proposed financing size will not exceed RMB5 billion (inclusive). Subject to the fulfillment of conditions for the exchange, the holders of the Exchangeable Bonds will be entitled to exchange their Exchangeable Bonds into A shares of the Company.

According to the notice, the Letter on No Objection to Shanghai Electric Holding Group Co., Ltd.’s Non-public Issuance of Exchangeable Corporate Bonds (Shang Zheng Han [2024] No. 210) (the “**No Objection Letter**”) with respect to the Exchangeable Bonds has been obtained recently from the Shanghai Stock Exchange (the “**SSE**”). SEGC may issue exchangeable corporate bonds with a total amount not exceeding RMB5 billion to qualified investors in a non-public way. The Exchangeable Bonds meet the transfer conditions of the SSE, and the SSE has no objection. The No Objection Letter is valid for 12 months from the date of its issuance. During the validity period of the No Objection Letter, SEGC will take the opportunity to organize the issuance of the Exchangeable Bonds based on its own funding arrangements and market conditions.

As of the date of this announcement, SEGC directly holds 7,442,101,913 A shares of the Company, accounting for approximately 47.77% of the total number of issued shares of the Company, and holds 313,642,000 H shares of the Company directly or through its wholly-owned subsidiary, Shanghai Electric Group Hong Kong Company Limited, accounting for 2.01% of the total number of issued shares of the Company. SEGC holds 49.78% of the total number of issued shares of the Company in aggregate.

In relation to the issuance of the Exchangeable Bonds and subsequent events, the Company will perform its information disclosure obligations in a timely manner in accordance with relevant regulatory requirements.

By order of the Board
Shanghai Electric Group Company Limited
WU Lei
Chairman of the Board

Shanghai, the PRC, 23 January 2024

As at the date of this announcement, the executive directors of the Company are Dr. WU Lei, 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*