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SHANGHAI ELECTRIC GROUP COMPANY LIMITED

上海電氣集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02727)

2024 INTERIM RESULTS

PERFORMANCE HIGHLIGHTS

- ▶ Total revenue of the Company for first half of 2024 was RMB49,869 million, a decrease of 6.0% as compared with the corresponding period of last year
- ▶ Profit attributable to owners of the Company for first half of 2024 was RMB602 million, an increase of 2.0% as compared with the corresponding period of last year
- ▶ Basic earnings per share of the Company for first half of 2024 was RMB0.039 yuan, an increase of 2.6% as compared with the corresponding period of last year
- ▶ New orders for first half of 2024 amounted to RMB83.66 billion
- ▶ The Board did not recommend the payment of an interim dividend in respect of the Reporting Period

The board of directors (the "**Board**") of Shanghai Electric Group Company Limited (the "**Company**") hereby announces the interim results of the Company and its subsidiaries (the "**Group**" or "**Shanghai Electric**") for the six months ended 30 June 2024 (the "**Reporting Period**"). The results have not been audited but have been reviewed by audit committee of the Company (the "**Audit Committee**"). The interim results of the Company for the six months ended 30 June 2024 have been prepared in accordance with China Accounting Standards for Business Enterprises.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS AT 30 JUNE 2024

(All amounts in RMB'000 Yuan unless otherwise stated)

	Notes	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Current assets			
Cash at bank and on hand		34,102,248	30,164,902
Clearing settlement funds		2,899	5,804
Placements with banks and other financial institutions		18,367,251	18,054,967
Held-for-trading financial assets		7,596,756	7,492,363
Derivative financial assets		351	12,798
Notes receivable		2,855,776	3,995,445
Accounts receivable	3	37,232,760	40,477,926
Receivables financing		832,075	1,354,944
Prepayments		10,010,437	9,511,724
Other receivables		5,689,325	5,984,167
Financial assets purchased under resale agreements		1,535,071	1,135,620
Inventories		34,083,103	32,423,705
Contract assets		22,237,270	21,913,397
Non-current assets due within one year		1,741,939	1,976,785
Other current assets		13,183,378	17,322,171
Total current assets		189,470,639	191,826,718
Non-current assets			
Loans and advances		9,310,573	7,370,067
Debt investments		152,436	152,570
Other debt investments		59,150	-
Long-term receivables		3,072,176	3,067,193
Long-term equity investments		11,064,251	11,001,371
Other non-current financial assets		7,088,762	7,339,112
Investment properties		561,185	608,798
Fixed assets		19,943,829	20,427,312
Constructions in progress		2,616,206	1,934,072
Right-of-use assets		1,553,105	1,410,284
Intangible assets		12,177,145	12,256,813
Research and development expenditures		18,526	31,661
Goodwill		3,203,397	3,244,929
Long-term deferred expenses		450,569	504,145
Deferred tax assets		8,418,321	8,300,768
Other non-current assets		13,134,896	13,790,754
Total non-current assets		92,824,527	91,439,849
TOTAL ASSETS		282,295,166	283,266,567

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

CONSOLIDATED BALANCE SHEET (UNAUDITED) (CONT'D)

AS AT 30 JUNE 2024

(All amounts in RMB'000 Yuan unless otherwise stated)

	Notes	Unaudited 30 June 2024 RMB'000	Audited 31 December 2023 RMB'000
Current liabilities			
Short-term borrowings		9,392,394	8,272,416
Held-for-trading financial liabilities		25,760	34,435
Derivative financial liabilities		12,778	3,425
Notes payable		11,050,272	12,074,199
Accounts payable	4	57,471,931	59,610,479
Advances from customers		798,112	859,959
Contract liabilities		47,987,955	44,207,113
Proceeds from financial assets sold under repurchase agreements		-	1,000,000
Deposits from customers, banks and other financial institutions		6,100,890	7,270,530
Employee benefits payable		4,291,983	5,381,579
Taxes payable		1,763,335	2,466,028
Other payables		8,337,988	8,144,533
Non-current liabilities maturing within one year		6,796,437	6,898,720
Other current liabilities		12,953,299	11,501,165
Total current liabilities		166,983,134	167,724,581
Non-current liabilities			
Long-term borrowings		31,211,007	30,893,868
Bonds payable	5	-	749,300
Lease liabilities		1,337,835	1,150,996
Long-term payables		531,756	561,953
Deferred income		1,249,689	1,333,337
Long-term employee benefits payable		185,258	187,568
Provisions		2,488,836	3,028,758
Deferred tax liabilities		669,537	614,502
Other non-current liabilities		12,373	95,064
Total non-current liabilities		37,686,291	38,615,346
Total liabilities		204,669,425	206,339,927
Owners' equity			
Share capital		15,579,809	15,579,809
Capital surplus		19,476,900	19,476,900
Other comprehensive income		14,673	21,601
Special reserve		142,011	134,056
Surplus reserve		5,906,524	5,906,524
Retained earnings	6	12,280,605	11,678,998
Total equity attributable to equity owners of the Company		53,400,522	52,797,888
Minority interests		24,225,219	24,128,752
Total owners' equity		77,625,741	76,926,640
TOTAL LIABILITIES AND OWNERS' EQUITY		282,295,166	283,266,567

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

CONSOLIDATED INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts in RMB'000 Yuan unless otherwise stated)

	Notes	Unaudited	
		For the six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Total revenue		49,868,517	53,077,946
Including: Operating revenue	7	49,554,334	52,859,907
Interest income	7	313,744	216,299
Income from handling charges and commissions	7	439	1,740
Total cost of sales		(47,840,034)	(51,631,988)
Including: Operating cost	7	(40,225,850)	(43,849,544)
Interest expenses	7	(50,131)	(41,038)
Handling charges and commissions expenses	7	(474)	(404)
Taxes and surcharges	8	(290,171)	(317,148)
Selling and distribution expenses		(1,361,893)	(1,425,781)
General and administrative expenses		(3,381,790)	(3,380,478)
Research and development expenditures		(2,327,462)	(2,327,078)
Financial expenses - net		(202,263)	(290,517)
Including: Interest expenses		(858,020)	(750,217)
Interest income		640,731	334,891
Add: Other income		501,009	441,291
Investment income		939,870	1,159,942
Including: Share of profit of associates and joint ventures		531,994	503,197
Loss arising from derecognition of financial assets measured at amortized cost		(8,269)	(697)
Exchange gain		4,533	10,223
(Loss)/ Gain on changes in fair value		(319,889)	355,644
Loss from asset impairment		(407,058)	(629,260)
Loss from credit impairment		(394,088)	(948,647)
Gain on disposals of assets		4,897	22,401
Operating profit		2,357,757	1,857,552
Add: Non-operating income		69,594	53,969
Less: Non-operating expenses		(24,180)	(89,248)
Total profit		2,403,171	1,822,273
Less: Income tax expenses	9	(581,584)	(335,934)
Net profit		1,821,587	1,486,339
Attributable to equity owners of the Company		601,744	590,363
Minority interests		1,219,843	895,976

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

CONSOLIDATED INCOME STATEMENT (UNAUDITED) (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts in RMB'000 Yuan unless otherwise stated)

	Notes	Unaudited	
		For the six months ended 30 June	
		2024	2023
		RMB'000	RMB'000
Other comprehensive income, net of tax		(5,719)	159,010
Attributable to equity owners of the Company		(6,928)	141,985
Other comprehensive income that will be subsequently reclassified to profit or loss		(6,928)	141,985
Changes in fair value of other debt investments		4,295	100,213
Provision for credit impairment of other debt investments and receivables financing		(851)	(11,029)
Cash flow hedges, net of tax		(317)	(1,741)
Exchange differences on translation of foreign operations		(10,055)	54,542
Attributable to minority interests		1,209	17,025
Total comprehensive income		1,815,868	1,645,349
Attributable to equity owners of the Company		594,816	732,348
Attributable to minority interests		1,221,052	913,001
Earnings per share			
Basic earnings per share (RMB yuan/ share)	10	0.039	0.038
Diluted earnings per share (RMB yuan/ share)	10	0.039	0.038

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts in RMB'000 Yuan unless otherwise stated)

1 Company information

Shanghai Electric Group Company Limited (the “**Company**”) is a joint stock limited liability company established in the People’s Republic of China (the “**PRC**”) on 1 March 2004. The registered office of the Company is located on No. 16, Lane 1100, Huashan Road, Changning District, Shanghai, the PRC.

During the half year, the Company and its subsidiaries (together the “**Group**”) are engaged in the following principal activities:

(a) The energy equipment segment: design, manufacture and sales of nuclear power equipment, energy storage equipment, coal-fired power generation and corollary equipment, gas-fired power generation equipment, wind power equipment, hydrogen energy equipment, photovoltaic equipment, high-end vessels for chemical industry; as well as providing power grid and industrial intelligent power supply system solutions;

(b) The industrial equipment segment: design, manufacture and sales of elevators, large and medium-sized electric motors, intelligent manufacturing equipment, industrial basic parts and construction industrialization equipment;

(c) The integration services segment: providing energy, environmental protection and automation engineering and services, covering traditional and new energy, comprehensive use of solid wastes, sewage treatment, flue gas treatment, rail transit, etc.; providing industrial internet services; providing financial services, covering financing leases, factoring, asset management, insurance brokerage, etc.; providing park and property management services mainly based on industrial real estate, etc.

In the opinion of the directors of the Company, the parent and the ultimate holding company of the Group is Shanghai Electric Holding Group Co., Ltd (“**SEGC**”), a state-owned enterprise established in the PRC.

The Company has its ordinary shares listed on both the Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange.

2 Summary of important accounting policies

The main accounting policies used in the preparation of these consolidated financial statements are set out below. Unless otherwise stated, these policies are applied in all reported periods. These consolidated financial statements include Shanghai Electric Group Co., Ltd. and its subsidiaries.

2.1 Basis of preparation

The financial statements were prepared in accordance with the *Accounting Standard for Business Enterprises - Basic Standard*, and the specific accounting standards and other relevant regulations (hereafter collectively referred to as “the Accounting Standards for Business Enterprises” or “CAS”) issued by the Ministry of Finance on 15 February 2006 and in subsequent periods and the disclosure requirements in the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 - General Rules on Financial Reporting* issued by the CSRC.

The financial statements are prepared on a going concern basis.

The new Hong Kong Companies Ordinance came into effect on 3 March 2014. Certain related matters in the financial statements have been disclosed in accordance with the requirements of the Hong Kong Companies Ordinance.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts in RMB'000 Yuan unless otherwise stated)

2 Summary of important accounting policies(Cont'd)

2.2 Change in accounting policy

The Ministry of Finance issued the "Compilation of Guidelines for the Application of Accounting Standards for Business Enterprises 2024" in 2024. The Group has adopted the above mentioned guideline in preparing the consolidated income statement for the six months ended 30 June 2024. The effects on the consolidated income statement for the six months ended 30 June 2023 are as follows:

(a) Presentation of Assurance-type Warranty Expenses

Description of the changes in the accounting policy	Line items	Amount
		For the six months ended 30 June 2023
		The Group
The Group reclassified the assurance-type warranty expenses related to sales of products from main operations from selling and distribution expenses to cost of sales	Selling and distribution expenses	(319,197)
	Cost of sales	319,197

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

(All amounts in RMB'000 Yuan unless otherwise stated)

3 Accounts receivable

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Accounts receivable	54,487,603	58,427,795
Less: Provision for bad debts	(17,254,843)	(17,949,869)
	<u>37,232,760</u>	<u>40,477,926</u>

The aging of accounts receivables was analysed as follows:

(i) The accounts receivable based on overdue aging was analysed as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Not overdue	21,022,759	22,614,688
Overdue within 1 year	10,179,489	9,398,550
Overdue 1 to 2 years	6,362,064	6,488,398
Overdue 2 to 3 years	2,911,097	8,230,304
Overdue 3 to 4 years	4,635,724	4,557,370
Overdue 4 to 5 years	5,393,188	4,157,532
Overdue over 5 years	3,983,282	2,980,953
	<u>54,487,603</u>	<u>58,427,795</u>

(ii) The aging of accounts receivable based on the date of entry was analysed as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Within 1 year	25,188,647	27,495,470
1 to 2 years	8,794,020	8,266,708
2 to 3 years	4,202,711	8,336,220
3 to 4 years	6,319,170	6,552,353
4 to 5 years	5,933,248	4,661,539
Over 5 years	4,049,807	3,115,505
	<u>54,487,603</u>	<u>58,427,795</u>

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

(All amounts in RMB'000 Yuan unless otherwise stated)

4 Accounts payable

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Accounts payable	<u>57,471,931</u>	<u>59,610,479</u>

The aging of accounts payable was analysed as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Within 3 months	33,626,981	35,381,284
3 to 6 months	3,897,052	4,815,801
6 months to 1 year	9,915,259	9,734,192
1 to 2 years	5,079,955	4,050,065
2 to 3 years	1,657,557	2,507,200
Over 3 years	<u>3,295,127</u>	<u>3,121,937</u>
	<u>57,471,931</u>	<u>59,610,479</u>

As at 30 June 2024, accounts payable with aging over one year amounted to RMB10,032,639,000 yuan (31 December 2023: RMB9,679,202,000 yuan), which mainly comprised payables for construction projects and payables for materials. Such accounts are unsettled as the projects are still under construction.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

(All amounts in RMB'000 Yuan unless otherwise stated)

5 Bonds payable

	31 December 2023 (Audited)	Interest accrued at par value	Amortisation of premium or discount	Repayment in the current period	30 June 2024 (Unaudited)
22 MTN001 (a)	765,374	11,892	308	(23,850)	753,724
Less: Bonds payable due within one year	(16,074)				(753,724)
	<u>749,300</u>				<u>-</u>

- (a) Shanghai Electric Wind Power Group Co., Ltd., a subsidiary of the Group, issued its 2022 green middle-term notes (Phase I) on 29 April 2022 with a term of 3 years. The value date and the redemption date of such notes are 29 April 2022 and 29 April 2025 respectively. The planned total issuance equals the actual total issuance, reaching RMB 750 million. The notes are issued at face value with the interest rate of 3.18%.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D) FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts in RMB'000 Yuan unless otherwise stated)

6 Dividends

For the six months ended 30 June 2024, the Group has not declared or distributed any cash dividends or profits.

7 Operating revenue and operating cost

	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Revenue from main operations	46,593,502	50,414,230
Revenue from other operations	2,960,832	2,445,677
Interest income	313,744	216,299
Income from handling charges and commissions	439	1,740
	<u>49,868,517</u>	<u>53,077,946</u>
	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Cost of sales from main operations	38,727,456	42,637,571
Cost of sales from other operations	1,498,394	1,211,973
Interest expenses	50,131	41,038
Handling charges and commissions expenses	474	404
	<u>40,276,455</u>	<u>43,890,986</u>

SHANGHAI ELECTRIC GROUP COMPANY LIMITED**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(Cont'd)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

(All amounts in RMB'000 Yuan unless otherwise stated)

7 Operating revenue and operating cost (Cont'd)

Revenue from main operations includes sales revenue from energy equipment, industrial equipment and integration services. Cost of sales refers to those of products related to main operations. The Group's segment information has been presented in Note 11.

Details of revenue from main operations are as follows:

	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Sale of goods	37,953,744	38,980,719
Engineering construction	3,267,889	5,249,029
Rendering of services	5,371,869	6,184,482
	<u>46,593,502</u>	<u>50,414,230</u>

Details of revenue from other operations are as follows:

	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Sales of raw materials and goods	2,365,946	1,838,463
Leasing income	196,023	278,781
Finance lease income	37,317	36,860
Others	361,546	291,573
	<u>2,960,832</u>	<u>2,445,677</u>

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts in RMB'000 Yuan unless otherwise stated)

7 Operating revenue and operating cost (Cont'd)

	For the six months ended 30 June 2024(Unaudited)								
	Sales of Goods			Engineering construction					
	China	Other Asian countries/ geographical areas	Other regions	China	Other Asian countries/ geographical areas	Other regions	Rendering of services	Others	Total
Revenue from main operations	33,278,328	556,205	4,119,211	1,786,045	1,151,699	330,145	5,371,869	-	46,593,502
Including: Recognised at a point in time	33,278,328	556,205	4,119,211	-	-	-	40,261	-	37,994,005
Recognised over time	-	-	-	1,786,045	1,151,699	330,145	5,331,608	-	8,599,497
Revenue from other operations	736,747	28,632	1,600,567	-	-	-	7,937	586,949	2,960,832
	34,015,075	584,837	5,719,778	1,786,045	1,151,699	330,145	5,379,806	586,949	49,554,334
	For the six months ended 30 June 2023(Unaudited)								
	Sales of Goods			Engineering construction					
	China	Other Asian countries/ geographical areas	Other regions	China	Other Asian countries/ geographical areas	Other regions	Rendering of services	Others	Total
Revenue from main operations	32,699,872	731,084	5,549,763	2,346,339	2,229,637	673,053	6,184,482	-	50,414,230
Including: Recognised at a point in time	32,699,872	731,084	5,549,763	-	-	-	54,486	-	39,035,205
Recognised over time	-	-	-	2,346,339	2,229,637	673,053	6,129,996	-	11,379,025
Revenue from other operations	379,773	3,310	1,455,380	-	-	-	15,817	591,397	2,445,677
	33,079,645	734,394	7,005,143	2,346,339	2,229,637	673,053	6,200,299	591,397	52,859,907

- (i) For the six-month period ended 30 June 2024, the Group did not receive any additional rewards for the early completion of labour services. The Group's revenue from sales of materials is recognised at a time point. Other than that, there were no material contract changes or price adjustments within the Group.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

(All amounts in RMB'000 Yuan unless otherwise stated)

8 Taxes and surcharges

	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Real estate tax	70,940	69,905
City maintenance and construction tax	70,064	82,778
Stamp duty	49,632	46,607
Educational surcharge	47,235	59,936
Land use tax	17,974	19,318
Others	34,326	38,604
	<u>290,171</u>	<u>317,148</u>

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

(All amounts in RMB'000 Yuan unless otherwise stated)

9 Income tax expenses

	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Current tax charge for the period	651,376	449,696
Annual filing differences for the current period	(6,138)	(30,324)
Deferred tax	(63,654)	(83,438)
	<u>581,584</u>	<u>335,934</u>

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated income statement to the income tax expenses is listed below:

	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Total profit	<u>2,403,171</u>	<u>1,822,273</u>
Tax at the statutory tax rate (Note 1)	600,793	455,568
Lower tax rates for specific districts or concessions	(214,170)	(102,002)
Adjustments for current income tax of prior periods	(6,138)	(30,324)
Profits and loss attributable to joint ventures and associates	(122,359)	(120,224)
Income not subject to tax	(19,223)	(42,523)
Expenses not deductible for tax	42,094	46,609
Tax incentives on eligible expenditures	(113,038)	(215,209)
Utilization of previously unrecognised tax loss and deductible temporary differences	(14,747)	(37,741)
Tax loss and deductible temporary differences for which no deferred tax assets was recognised	<u>428,372</u>	<u>381,780</u>
Income tax expenses	<u>581,584</u>	<u>335,934</u>

Note 1: The Group's income tax is provided based on estimated taxable income in China and the applicable tax rates. Taxes on income assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

(All amounts in RMB'000 Yuan unless otherwise stated)

10 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding. Newly issued ordinary shares are included in the weighted average number of shares from the date consideration is receivable (which is generally the date of their issue) according to specific terms of the issuance contract.

Basic earnings per share are calculated as follows:

	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Consolidated net profit attributable to ordinary shareholders of the parent company	601,744	590,363
Weighted average number of ordinary shares outstanding (Unit: 1,000 shares)	15,579,809	15,579,809
Basic earnings per share	<u>RMB0.039 yuan</u>	<u>RMB0.038 yuan</u>
Including:		
- Basic earnings per share from continuing operations:	RMB0.039 yuan	RMB0.038 yuan
- Basic earnings per share from discontinued operations:	<u>-</u>	<u>-</u>

Diluted earnings per share

Diluted earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of outstanding ordinary shares of the Company. For the six-month period ended 30 June 2024, the Company has no dilutive potential ordinary shares. Therefore, diluted earnings per share equals basic earnings per share.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(CONT'D) FOR THE SIX MONTHS ENDED 30 JUNE 2024

(All amounts in RMB'000 Yuan unless otherwise stated)

11 Segment information

The Group's businesses are organised and managed separately based on business nature and the products and services provided. Each operating segment of the Group is a business group, which, distinctive from other operating segments, has its own risks in products and services and gains its own rewards.

Information of each operating segment is summarised as follows:

(a) The energy equipment segment: design, manufacture and sales of nuclear power equipment, energy storage equipment, coal-fired power generation and corollary equipment, gas-fired power generation equipment, wind power equipment, hydrogen energy equipment, photovoltaic equipment, high-end vessels for chemical industry; as well as providing power grid and industrial intelligent power supply system solutions;

(b) The industrial equipment segment: design, manufacture and sales of elevators, large and medium-sized electric motors, intelligent manufacturing equipment, industrial basic parts and construction industrialization equipment;

(c) The integration services segment: providing energy, environmental protection and automation engineering and services, covering traditional and new energy, comprehensive use of solid wastes, sewage treatment, flue gas treatment, rail transit, etc.; providing industrial internet services; providing financial services, covering financing leases, factoring, asset management, insurance brokerage, etc.; providing park and property management services mainly based on industrial real estate, etc.

Management monitors the results of the business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on reported segment profit. Segment profit is an indicator of adjusted total profit, which is consistent with the Group's total profit but excludes interest income, financial expenses, dividend income, gains from changes in fair value of financial instruments and expenses of headquarters.

Financial assets held for trading, derivatives, dividends receivable, interest receivable, long-term equity investments, debt investments, other debt investments, investment in other equity instruments, other non-current financial assets, goodwill, deferred tax assets and other undistributed assets of headquarters are not included in segment assets, which are under the unified management of the Group.

Financial liabilities held for trading, derivatives, dividends payable, interest payable, borrowings, income taxes payable, deferred tax liabilities and other undistributed liabilities of headquarters are not included in segment liabilities, which are under the unified management of the Group.

Inter-segment transfer prices are measured by reference to the prices of transactions with third parties.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

(All amounts in RMB'000 Yuan unless otherwise stated)

11 Segment information (Cont'd)

(a) Segment information as at and for the six months ended 30 June 2024 was as follows (Unaudited):

	Energy equipment	Industrial equipment	Integration services	Others	Unallocated	Elimination	Total
Revenue							
Including: Revenue from external customers	24,181,348	18,352,424	7,315,537	18,375	833	-	49,868,517
Inter-segment revenue	472,358	606,562	645,566	26,124	-	(1,750,610)	-
	24,653,706	18,958,986	7,961,103	44,499	833	(1,750,610)	49,868,517
Cost of sales	19,688,906	15,664,546	6,636,698	29,620	164	(1,743,479)	40,276,455
Loss from credit impairment	318,340	166,036	(117,280)	(211)	25,930	1,273	394,088
Loss from asset impairment	280,397	21,701	8,403	-	82,000	14,557	407,058
Depreciation and amortisation	591,639	419,892	382,573	10,994	112,022	-	1,517,120
Financial expenses and exchange gain	-	-	-	-	197,730	-	197,730
Share of profit of associates and joint ventures	-	-	-	-	531,994	-	531,994
Operating profit/(loss)	1,137,257	706,351	693,000	(99,836)	(31,274)	(47,741)	2,357,757
Non-operating income or expenses							45,414
Total profit							2,403,171
Assets and liabilities							
Total assets	142,182,238	63,055,247	103,538,680	1,129,975	14,321,024	(41,931,998)	282,295,166
Total liabilities	99,773,984	43,736,895	98,476,350	386,239	10,185,170	(47,889,213)	204,669,425
Non-cash expenses other than depreciation and amortisation	192,124	156,469	74,933	-	-	-	423,526
Increase in non-current assets	622,964	361,914	996,130	17,555	2,199	-	2,000,762

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

(All amounts in RMB'000 Yuan unless otherwise stated)

11 Segment information (Cont'd)

(b) Segment information as at and for the six months ended 30 June 2023 was as follows (Unaudited):

	Energy equipment	Industrial equipment	Integration services	Others	Unallocated	Elimination	Total
Revenue							
Including: Revenue from external customers	24,282,990	19,236,968	9,512,014	43,785	2,189	-	53,077,946
Inter-segment revenue	1,393,716	371,944	752,563	105	10,859	(2,529,187)	-
	25,676,706	19,608,912	10,264,577	43,890	13,048	(2,529,187)	53,077,946
Cost of sales	21,017,582	16,317,267	8,969,773	26,817	178	(2,440,631)	43,890,986
Loss from credit impairment	398,120	155,646	175,093	968	170,288	48,532	948,647
Loss from asset impairment	528,914	40,703	6,505	-	89,000	(35,862)	629,260
Depreciation and amortisation	637,258	401,825	384,960	10,716	154,275	3	1,589,037
Financial expenses and exchange gain	-	-	-	-	280,294	-	280,294
Share of profit of associates and joint ventures	-	-	-	-	503,197	-	503,197
Operating profit/(loss)	518,323	779,320	581,018	(72,947)	298,935	(247,097)	1,857,552
Non-operating income or expenses							(35,279)
Total loss							1,822,273
Assets and liabilities							
Total assets	134,232,890	65,332,368	131,482,624	821,518	18,856,101	(61,175,302)	289,550,199
Total liabilities	53,631,835	27,944,922	107,580,815	303,210	54,494,636	(39,362,297)	204,593,121
Non-cash expenses other than depreciation and amortisation	347,762	82,367	118,796	-	-	-	548,925
Increase in non-current assets	976,443	739,586	906,648	17,117	1,843	20,000	2,661,637

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION(Cont'd)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

(All amounts in RMB'000 Yuan unless otherwise stated)

11 Segment information (Cont'd)

(c) Revenue from external customers

	For the six months ended 30 June 2024 (Unaudited)	For the six months ended 30 June 2023 (Unaudited)
Mainland China	42,082,058	42,435,719
Other countries and geographical areas	7,786,459	10,642,227
	<u>49,868,517</u>	<u>53,077,946</u>

Revenue from external customers is attributed to the region where corresponding customers from.

(d) Total non-current assets

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Mainland China	56,115,637	59,120,166
Other countries and geographical areas	4,333,311	6,089,973
	<u>60,448,948</u>	<u>65,210,139</u>

Non-current assets, excluding financial assets and deferred tax assets, are attributed to the region where the assets are located in.

No single customer generated more than 10% of the Group's operating income for the six months ended 30 June 2024 and for the six months ended 30 June 2023.

RESULTS REVIEW AND MANAGEMENT DISCUSSION AND ANALYSIS

Since 2024, the international situation has been complex and dynamic, while the domestic economy has remained generally stable, continuing its trend of recovery and improvement. During the Reporting Period, faced with increasing challenges such as the complexity, severity, and rising uncertainty of the external environment, we have closely focused on serving national strategic priorities, leveraged technological innovation as driving force, continuously developed new quality productive forces and enhanced the core competitiveness of the Group, leading the green, low-carbon transformation and high-quality development, and solidly advancing the comprehensive implementation of the Group's "14th Five-Year Plan" strategy.

Results Review

During the Reporting Period, the Company achieved total revenue of RMB49,869 million, representing a year-on-year decrease of 6.0%, and the gross profit margin of the Company was 19.2%, representing a year-on-year increase of 1.9 percentage points. The net profit attributable to owners of the Company for the Reporting Period was RMB602 million, representing a year-on-year increase of 2.0%. The basic earnings per share of the Company for the Reporting Period was RMB0.039 yuan, representing a year-on-year increase of 2.6%.

During the Reporting Period, the Company obtained new orders in the total amount of RMB83.66 billion. Among the new orders of the Company, orders for energy equipment amounted to RMB48.45 billion (of which orders for nuclear power equipment, coal-fired power equipment, energy storage equipment and wind power equipment amounted to RMB4.33 billion, RMB21.99 billion, RMB5.39 billion and RMB6.01 billion, respectively), orders for industrial equipment amounted to RMB22.58 billion, and orders for integration services amounted to RMB12.63 billion.

During the Reporting Period, the main business operation of the Company is as follows:

1. Insisting on Scientific and Technological Innovation and Talent Leadership to Deepen the Driving Force of Scientific and Technological Innovation

We adhered to the basic fundamental of scientific and technological innovation of "steadfastly following the path of high-level Sci-tech self-reliance and self-strengthening, supporting the high-quality development of industries, and deepening the organized construction of a technological innovation system." With focusing on national strategic needs and major initiatives in Shanghai and aligning with the Group's strategic objectives, we integrated innovation resources, optimized innovation layout, constructed a "2+X" open technological innovation system. We further increased our research investment, promoted the transformation of scientific achievements, and improved the efficiency of research input and output. During the Reporting Period, we signed comprehensive strategic cooperation agreements with Shanghai Jiao Tong University and Tsinghua University respectively and will continue to strengthen collaboration with domestic universities and research institutions with professional expertise to promote the in-depth integration of industry, university and research, extend the innovation chain, build an innovation ecosystem, and actively practice the concept of connotative development. We issued the Shanghai Electric Technology Innovation Opinions (2024 Edition) (上海電氣科技創新若干意見 (2024版)) to further accelerate the construction of an open technological innovation system, create a high-level science and technology innovation platform, cultivate a team of high-quality innovative talents, and foster a favorable environment for technological innovation. During the Reporting Period, the project of "Core Technology and Equipment for Precision Manufacturing of High-

Capacity Lithium-Ion Batteries" (《大容量鋰離子電池精準製造核心技術與裝備》) completed by Shenzhen Yinghe Technology Co., Ltd. ("Yinghe Technology"), a subsidiary of the Company, in collaboration with Huazhong University of Science and Technology and other units, won the second prize for National Science and Technology Progress in 2023. The project of "R&D and Industrialization of 600MW High-Temperature Gas-Cooled Reactor Main Equipment" (《600MW 高溫氣冷堆主設備研發及產業化》) jointly declared by us and Tsinghua University won the Excellent Project Award for Shanghai Industry-University-Research Cooperation in 2023.

We have established a high-end equipment industry layout through cutting-edge technology, achieving breakthroughs in relevant core technological areas. We are one of the core suppliers of the world's first all-high-temperature superconducting Tokamak device, the Honghuang 70 (洪荒 70), which realized plasma discharges and successfully completed the engineering feasibility verification, marking China's leading advantage in the field of high-temperature superconducting magnetic confinement fusion. We undertook the manufacturing of three core components of the device's main system, the external vacuum vessel, vacuum chamber, and inner and outer cold screens, providing strong support for the successful operation of the device. We have achieved 100% localization of the Hualong series shaft sealed nuclear main pump, the batch production and processing of F-class G50 heavy-duty gas turbine blades, and preliminary engineering application of precision machining technology for domestically produced heavy-duty gas turbine blades. The production of the first domestically-produced FB2 medium-pressure rotor forging for the 660MW ultra-supercritical unit, jointly developed including us, marks a breakthrough in the field of high-end material in the advanced equipment manufacturing industry. We released the world's largest generator for offshore floating platforms, considering the unique operating environment of offshore floating power platforms and filling the gap in the application of high-capacity generators in the domestic floating power station sector. Leveraging digital simulation technology, intelligent manufacturing technology, and evaluation and testing technology, Shanghai Mitsubishi Elevator Co., Ltd. ("SMEC"), a subsidiary of the Company, focused on breakthroughs in core technology and key components, and released a 12.5 meters per second ultra-high-speed elevator, setting a new speed record for elevators made in China and fully covering the current demand for elevators in super high-rise buildings.

Aligned with national "dual-carbon" goals and the strategy to build a new power system, we have actively promoted the development of technology and products in the new energy field, accelerating the layout of the industrial chain capabilities in new tracks. In the field of energy storage technology, we have developed and manufactured a series of products in new energy storage areas, such as lithium battery energy storage, vanadium redox flow energy storage, compressed air energy storage, solar thermal molten salt energy storage and flywheel energy storage. In the field of hydrogen energy technology, we have comprehensively entered the main equipment areas of the whole industry chain including "production, storage, refueling, and use", and promoted the key core technology breakthroughs of electrolyzer and hydrogen production systems. During the Reporting Period, we released a new generation of Z-series alkaline electrolyzer product with single-unit hydrogen production capacity covering 50-3000 Nm³/h, providing customers with high-efficiency, high reliability and low-cost electrolysis water hydrogen production products. In the field of wind power technology, we adhere to a forward-looking layout and actively build a sustainable industry ecosystem. During the Reporting Period, we released the world's largest 16MW low-frequency offshore wind turbine and built the world's largest wind power testing platform. In the field of photovoltaic technology, we launched the "Thinking" series of smart modules with multifunctional intelligent control and the "Boundless" series of modules, designed to address issues such as water accumulation, snow accumulation and dust accumulation, effectively improving the power generation of the modules.

Regarding scientific and technological talent development, we prioritize the strategy of "talent as the primary resource". We invest in the introduction, training, and cultivation of scientific and technological innovation talents to support Shanghai Electric's high-quality development. Aligned with the development path of "technology promotion and transformation upgrade", we have concentrated on building a talent pool consisting of managers, outstanding engineers and skilled craftsmen, aiming to cultivate excellent talents and activate the intrinsic driving force of enterprise development. During the Reporting Period, Shanghai No.1 Machine Tool Works Co., Ltd., a subsidiary of the Company, was honored with the title of "National Outstanding Engineering Team" at the first "National Engineer Award". We have accelerated the construction of a high-skilled talent pool to provide robust talent and skill support for building a world-class equipment enterprise. During the Reporting Period, we established the Institute of Intelligent Manufacturing Craftsmen (智能製造工匠學院) to focus on the Group's development directions and actively cultivate scarce and versatile craftsman talents. We improved the system for cultivating technological talents by combining independent cultivation with external recruitment to nurture a team of technologically skilled talents who are systematic, specialized, knowledgeable in their fields, and capable of practical application. We further optimized the selection mechanism for technology experts, strengthened the reserve of young scientific and technological talents, established various talent development bases, created an open and harmonious innovation environment, enhanced the incentive mechanism for research and development personnel and provided comprehensive talent support to further stimulate the creative potential of technological talents.

2. Deepening the manufacturing of high-end equipment to continuously forge core competitiveness

We delved deep into the field of high-end equipment manufacturing, actively seized the opportunities presented by national energy policies, supported the construction of new power systems, and continuously honed the core competitive advantages of Shanghai Electric.

In the field of nuclear power, Shanghai Electric, as the only enterprise in China with the most complete nuclear power equipment manufacturing industry chain, has a complete set of nuclear power technology routes and the ability to manufacture key main equipment for nuclear islands, and our comprehensive market share continues to lead. During the Reporting Period, we undertook a total of 14 nuclear island main equipment units and successfully produced 12 nuclear island main equipment units and 1 set of conventional island equipment. The 168-hour trial operation test of the No. 4 unit of Fangchenggang Nuclear Power Plant, for which we supplied a complete set of conventional island steam turbine generator equipment including steam turbine, generator and auxiliary equipment, as well as nuclear island main equipment such as reactor internals and control rod drive mechanisms, has been completed, and it is now ready for commercial operation and marks the completion of the Fangchenggang Nuclear Power Phase II project. The first non-nuclear steam impulse test of Zhangzhou Nuclear Power Plant No.1 steam turbine generator unit supplied by Shanghai Electric was successful, which is the first unit under batch construction of the "Hualong No.1" after the integration of CNNC's independent third-generation nuclear power, and also the first nuclear power turbine generator unit with a rated power of 1200MW of Shanghai Electric.

In the field of high-efficiency clean energy, leveraging on our technology and market accumulation in the thermal power sector, we have made efforts towards the market of "three reforms linkages" (三改聯動) of coal-fired power generation stations, maintained the global record for the lowest coal consumption of coal-fired power units, achieved coal saving and carbon reduction, deep peak modulation, thermal electric decoupling and efficient heating, and continued to play an important role in building a clean, low-carbon, safe and efficient energy system. During

the Reporting Period, we successively won the bids for Hubei Energy Jiangling Phase II Expansion $2 \times 660\text{MW}$ secondary reheat coal-fired unit project, the supporting Jinchang $2 \times 1000\text{MW}$ peak modulation coal power project of Gansu Tengger Desert Hexi New Energy Base, Rongsheng Jintang $2 \times 660\text{MW}$ project and other orders, fully reflecting the performance advantages and long-term safe and stable operation advantages of our ultra-supercritical unit products. During the Reporting Period, we entered into the gas turbine long-term service contracts with Shenzhen Energy Group for the Chaozhou Shenzhen Energy Ganlu Thermal Power Project and Chaozhou Shenzhen Energy Fengquan Thermal Power Project, and entered into the gas turbine long-term service contract with Danyang Huahai for the Danyang Gas Power Project. All of these projects use Shanghai Electric's 100MW gas-steam combined cycle unit equipment, expanding the scale of the Small F gas turbine long-term service units and promoting the development of independent small F gas turbine long-term service.

In the field of elevator equipment, SMEC adheres to the development path of "product-service dual-drive", promotes quality management that maximizes the user's entire life cycle value. During the Reporting Period, SMEC won the bid for elevator equipment for the first phase of Shanghai Metro Line 21 (including the eastern extension), the first phase of Line 23, and the western extension of Line 12, injecting new energy and vitality into improving Shanghai's public transportation network and enhancing economic development along the lines. SMEC continues to promote the development of service industrialization. During the Reporting Period, the proportion of service revenue from installation, renovation and maintenance businesses to the elevator business revenue reached over 40%.

For our business in industrial basic parts such as blades, bearings, fasteners and tools, we adhered to the vision of "becoming a world-leading provider of solutions on industrial basic parts and the major force in replacement of imported medium- and high-end basic parts in China", continued to make efforts in product high-end and localization, industry category integration and expansion, as well as promotion of the development of industrial chain distribution clusters, and has developed "professional, refined, featured and innovative" business clusters with high quality. Our blade business has achieved a leap from traditional coal-fired power turbines industry to the aviation, aerospace, and gas turbine industries, and upgraded from single energy blade business to various high-end products such as aviation blades, key core components, and hot end components, becoming a leading enterprise in the manufacturing of key core components in the "gas turbine and aircraft engine" field. Our bearing business continues to expand its market in fields such as aerospace and aviation, high-speed rail transit, medical equipment, industrial equipment, and automotive bearings.

In the field of aviation assembly and manufacturing lines, we rely on our advanced manufacturing capabilities and integrated equipment strength to provide safe and controllable intelligent solutions for high-end manufacturing customers such as aircraft manufacturer and aviation engine manufacturer, and as a part of China's aviation industry, we are committed to building independent and controllable localization capabilities. During the Reporting Period, Broetje, a subsidiary of the Company, won the contract for the aircraft assembly line in China from an international aircraft manufacturer, and will achieve localized delivery of the "turnkey" project through Broetje Shanghai, leading the sustainable development of the aerospace business on an ongoing basis.

In the field of intelligent transport, the transformation line project of the Nanjing Metro Airport Line, implemented by Thales SEC Transportation System Limited Company, a subsidiary of the Company, has been officially open to passengers. This project is the first ATO+ technology transformation application in China, which retains the existing driving mode and adds ATO+ driving mode to achieve operation scenarios similar to fully-automated operation, thereby facilitating the intelligent upgrade of urban rail transit. During the Reporting Period, we won the

bid for the signal system integration projects of Changchun Metro Line 9 (Airport Line) Phase I and Qingdao Metro Line 8 branch line, supported the open operation of the southern extension of Hefei Metro Line 4, contributing to the rapid development of the city and convenient travel for the masses.

We have actively created the "Shanghai Electric Scheme" for the digital intelligence transformation of energy and high-end equipment. We strengthened the construction of cloud computing, industrial Internet, artificial intelligence, blockchain and other digital infrastructure and the application of cutting-edge technology, to closely integrate with the industry, promote the efficient complementation and synergy of all entities in the digital industry ecosystem, expand the new scene of digital intelligence integration and application, and create industry benchmark projects, forming industry influence. Basing on the "SEunicloud" industrial internet platform, we give full play to the advantages of scenarios, and explore the application value of smart supply chain. Following the national "dual carbon" goal, we have created the "Xinglian Dual Energy Carbon Manager" and formed a multi-level industrial digital carbon management platform. The National Industrial Digital Carbon Management Public Service Platform of the Ministry of Industry and Information Technology, of which we participated in the construction, has passed the project acceptance, marking our successful demonstration application in the field of digital carbon management platform construction.

3. Promoting the Layout of the New Energy Industry to Accelerate the Development of New Quality Productive Forces

Shanghai Electric actively explored and strategically laid out in the field of new energy. As a pioneer in the "dual carbon" goals and a leader in new energy equipment, we leveraged technological integration advantages, actively crafted a series of solutions including energy of wind power, photovoltaic, energy storage and hydrogen energy and the integrated "source-grid-load-storage" system, constructing comprehensive new power systems and "three-dimensional" holistic solutions for zero-carbon industrial parks.

In the field of energy storage, we actively deployed technologies such as compressed air energy storage and liquid flow energy storage, building a diverse energy storage industry ecosystem. During the Reporting Period, the Hubei Yingcheng 300MW compressed air energy storage power plant demonstration project that we participated the construction in achieved grid connection, setting three world records in single unit power, energy storage scale, and conversion efficiency. This project is a national pilot demonstration project for new energy storage and has been selected as the first major technical equipment in the third batch of the national energy field. The Jiangsu Guoxin Suyan Compressed Air Energy Storage Project, which we provided complete set of equipment including expansion turbine, air-cooled generator, cold molten salt storage tank and hot molten salt storage tank, can store energy for up to 8 hours and generate electricity for 4.5 hours after completion and is currently the largest compressed air energy storage project in terms of total installed capacity. During the Reporting Period, with our profound technical expertise in the field of all vanadium flow batteries, we won the bid for the 10MW/20MWh all vanadium flow energy storage system in the Jiangsu Guanyun energy storage project.

In the field of hydrogen energy, relying on our technology accumulation in high-end equipment manufacturing and system integration, we have the core equipment supply capability for the entire industry chain of "production, storage, transportation and utilization" in hydrogen energy, providing users with a system solution of "renewable energy power generation + electrolysis hydrogen production + green chemical industry/production, storage and hydrogenation integrated station/hydrogen energy storage". The Taonan wind power coupled biomass green methanol integrated demonstration project invested and constructed by the Company will be the one of the

first batch of green hydrogen coupled biomass gasification for green methanol production projects in China, and also one of the key demonstration projects of the "Hydrogen Powered Jilin" project. It adopts a combination scheme of 8000 Nm³/h alkaline electrolysis water hydrogen production system and 200 Nm³/h PEM electrolysis water hydrogen production system, uses wind power and electrolyzer for flexible hydrogen production, and coupled with biomass gasification to produce green methanol that meets the EU ISCC standards. During the Reporting Period, we continued to make efforts in the alkaline and PEM electrolyzed water markets, won hydrogen energy orders in multiple fields such as electricity, transportation and chemical industry, and entered into contract for the 5-megawatt photovoltaic hydrogen production station project in Wenberg, France, achieving breakthroughs in overseas markets.

In the field of wind power, Shanghai Electric Wind Power Group Co., Ltd. (上海電氣風電集團股份有限公司) ("SEWP"), a subsidiary of the Company, continued to maintain its leading position in the field of offshore wind power. Based on the development concept of "be proficient in wind power and not limited in wind power" and years of accumulated experience in wind power, we provided customers comprehensive solutions for the entire lifecycle of wind power, and developed new application scenarios of "wind power+". During the Reporting Period, SEWP actively promoted market development, and won bids for over 3 million kilowatts of offshore and onshore projects. SEWP has completed the production of the world's largest capacity grid-type 10MW wind turbine at Dongtai Base. The wind turbine is customized and developed for the high wind speed environment in deserts and wasteland and large capacity model requirements. At the same time, the complete set of wind turbine has been specially designed for the environment of desert and wasteland, providing high-quality and cost-effective support for the construction of the large base. SEWP customized Asia's first offshore wind SOV mother ship "Zhi Zhen 100" has successfully completed the first domestic wind farm practical trial voyage in the Rudong wind farm area of State Power Investment Corporation, which will help SEWP provide customers with professional and advanced SOV mother ship transportation solutions, and further serve the development of deep offshore wind power in China.

In the field of photovoltaics, all of the UK's photovoltaic package projects undertaken by Shanghai Electric have been connected to the grid, marking the completion of our first new energy project under the model of "investment and financing - construction - grid connection and power generation - operation" in overseas high-end market, laying the foundation for us to further develop projects in overseas high-end markets. During the Reporting Period, the 300.3KWp distributed photovoltaic power generation project of Shanghai Caolu bus parking lot we undertook has been officially launched. This project, being a key project in the "photovoltaic+" transportation sector in Shanghai, adopts the operation mode of "self-generation, self-consumption and surplus on-grid connection". It is expected to provide about 315,000 kilowatt hours of green electricity for Caolu bus every year with significant energy-saving and emission reduction benefits.

SIGNIFICANT EVENTS

Pledge Release of Shares of the Company by Controlling Shareholder

Shanghai Electric Holding Group Co., Ltd. (上海電氣控股集團有限公司) ("SEGC") completed the offering of 2021 Non-Public Issuance of Exchangeable Corporate Bonds (Phase I) (the "21 Electric EB") using the A shares of the Company held by SEGC and its yields as the exchange objects on 23 March 2021, and completed registration procedures for the share pledge of 254,545,455 A shares of the Company on 15 March 2021. In accordance with the maintenance

guarantee ratio and additional guarantee mechanism set out in the "Offering Memorandum for 2021 Non-Public Issuance of Exchangeable Corporate Bonds by Shanghai Electric (Group) Corporation (Phase I) (for eligible investors)", SEGC completed registration procedures for the supplemental share pledge of 30,000,000 A shares of the Company on 17 August 2021. 21 Electric EB was delisted on 25 March 2024 and had been exchanged for a total of 0 shares of the Company. SEGC completed the pledge release procedures for the 284,545,455 tradable shares of the Company on 29 March 2024 at China Securities Depository and Clearing Corporation Limited Shanghai Branch.

Pledge of Shares of the Company by Controlling Shareholder

SEGC completed the offering of 2024 Non-Public Issuance of Exchangeable Corporate Bonds to Professional Investors (Phase I) (the "24 Electric EB") using the A shares of the Company held by SEGC and its yields as the exchange objects on 27 March 2024, and completed registration procedures for the share pledge of 1,710,000,000 A shares of the Company on 15 March 2024. As of 30 June 2024, the number of the remaining pledged shares of SEGC was 1,710,000,000 A shares, which is used to guarantee the exchange of the Company's shares for holders of the exchangeable bonds and to provide guarantee for the principal and interest repayment of the bonds.

Change of Domicile of the Company and Proposed Amendments to the Articles of Association

Based on the actual situation of the Company, it was proposed to change the domicile of the Company from "30/F, Maxdo Center, No.8 Xingyi Road, Shanghai" to "No. 16 Lane 1100, Huashan Road, Shanghai" and amendments to the relevant article of the articles of association of the Company. The change of domicile and the proposed amendments to the articles of association was approved at the 2023 annual general meeting of the Company.

Acquisition of 4.4415% Equity Interest in Shanghai Prime by SMEIC

On 13 May 2024, the Board considered and approved the relevant resolution, pursuant to which, Shanghai Mechanical & Electrical Industry Co., Ltd. (上海機電股份有限公司) ("SMEIC", a non-wholly owned subsidiary of the Company) was approved to acquire 4.4415% equity interest in Shanghai Prime Mingyu Machinery Technology Co., Ltd. (上海集優銘宇機械科技有限公司) ("Shanghai Prime", a non-wholly owned subsidiary of the Company) held by Shanghai Electric Group Hongkong Company Limited (a wholly-owned subsidiary of SEGC) in cash at a total consideration of approximately RMB236,216.7 thousand, which is based on the appraisal value of the total shareholders' equity in Shanghai Prime of RMB5,318,400 thousand, and the acquisition price is subject to the final equity valuation results filed with state-owned assets authorities. On 24 June 2024, the shareholders' meeting of SMEIC disapproved the relevant resolution, and the transaction was terminated.

Material Arbitrations in Relation to the Sasan Project in India

In June 2008, the Company and Reliance Infra Projects (UK) Limited (the "Reliance UK"), entered into the Equipment Supply and Service Contract (the "Contract") with a contracted amount of USD1,311,000,000, pursuant to which, the Company (as the supplier) shall provide major equipment and relevant services for the project of Sasan 6*660MW Ultra Large Supercritical Coal-fired Power Station in India, Reliance Infrastructure Limited (the "Reliance") issued the letter of guarantee for the payment obligations of Reliance UK under the Contract, and

Sasan Power Limited (the "Sasan Power") owned and operated the power station. Since Reliance UK still failed to pay for the equipment purchased and other relevant payables to the Company after the project commenced commercial operation for several years, the Company filed to the Singapore International Arbitration Centre ("SIAC") for arbitration in December 2019, requiring Reliance to pay for equipment purchased and other relevant payables in the amount of at least USD135,320,728.42 to the Company as agreed in the letter of guarantee issued by Reliance for Reliance UK (the "First Arbitration").

In December 2021, the Company received a notice of acceptance for an arbitration brought by Reliance UK against the Company issued by the SIAC, pursuant to which Reliance UK requested the Company to compensate for its losses of approximately USD388.75 million related to the contract. Reliance UK also believed that the letter of performance guarantee was unreasonably released and requested the Company to issue a letter of performance guarantee in the amount of approximately USD120.175 million to guarantee its claims.

In December 2022, the Company received the award issued by SIAC for the First Arbitration, which ordered Reliance to pay the Company the sum of USD146,309,239.27.

In May 2023, the Company received a notice from the Singapore International Commercial Court ("SICC") that Reliance has filed an application to the SICC seeking to have the award for the First Arbitration by SIAC set aside in its entirety. The application was accepted by the SICC.

In January 2024, the Company received a notice from the SICC that the SICC had entered a judgment, rejecting Reliance's application to set aside the award for the First Arbitration in its entirety and also awarding Reliance to pay to the Company the litigation costs related to this case.

OUTLOOK

Looking forward to the second half of 2024, we will firmly grasp the main working philosophy of "serving national strategy, developing new quality productive forces and achieving high-quality development", actively integrate into the national strategy of building a strong manufacturing country, closely align with actions to deepen and enhance the reform of state-owned enterprises, deepen reforms, accelerate transformation and upgrading, steadfastly pursue excellence, continuously enhance core competitiveness. We will stand in the forefront in the high-end, intelligent and green revolutions, break new roads in accelerating the development of new quality productive forces, and pioneer in serving the high-level Sci-tech self-reliance and self-strengthening, leading high-quality development under the guidance of the "dual carbon" strategic goals empowered by technology and accelerating the transformation of Shanghai Electric into a world-class equipment enterprise.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code provisions regarding the purchase and sale of the Company's shares by the Directors and Supervisors of the Company as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"). All Directors and Supervisors of the Company confirmed that they had complied with the requirements contained in the Model Code during the period from 1 January

2024 to 30 June 2024. The Company was not aware of any non-compliance with the Model Code by any of its employees.

CORPORATE GOVERNANCE

During the Reporting Period, the Board performed the following functions: to formulate and review the Company's policies and practices on corporate governance and make recommendations; to review and monitor the training and continuous professional development of Directors and senior management; to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the ethics and compliance of employees and Directors; and to review the Company's compliance with the code provisions and disclosure in the "Corporate Governance Report".

During the Reporting Period, the Board is of the view that the Company has complied with the requirements of Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules (the "Code"). During the Reporting Period, except for the short-term vacancy caused by the resignation of the former chairman of the Board and the chief executive officer and the former executive director and president, the chairman of the Board of the Company was assumed by one person, who was mainly responsible for the strategic decisions of the Company, and the executive director and president of the Company was assumed by another person, who was fully responsible for the daily operation and execution of the Company. The Company considers that the roles and responsibilities of the Board and the management are clear and there is no concentration of management power.

AUDIT COMMITTEE

The Audit Committee is mainly responsible for the communication, supervision and review of the Company's internal and external audit work and providing professional advice to the Board. The Audit Committee has reviewed and confirmed the Group's interim results and interim financial report for the six months ended 30 June 2024 and has raised no objection to the accounting policies and practices adopted by the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Reporting Period, no purchase, sale or redemption of the Company's listed securities (including sale of treasury shares (as defined in the Hong Kong Listing Rules)) has been made by the Company or any of its subsidiaries.

As of the date of this announcement, the Company does not hold any treasury shares (including any treasury shares held or deposited in the Hong Kong CCASS).

CHANGES IN ACCOUNTING POLICIES

For details, please refer to the Company's announcement on changes in accounting policies published on 30 August 2024.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend in respect of the Reporting Period.

BOARD OF DIRECTORS AND SUPERVISORS

As at the date of this announcement, the executive directors of the Company are Dr. Wu Lei and Mr. Zhu Zhaokai; the non-executive directors of the Company are Mr. Shao Jun and Ms. Lu Wen; and the independent non-executive directors of the Company are Dr. Xi Juntong, Dr. Xu Jianxin and Dr. Liu Yunhong.

As at the date of this announcement, the Supervisors of the Company are Mr. Cai Xiaoqing, Mr. Han Quanzhi and Mr. Yuan Shengzhou.

On 23 August 2024, the Board considered and approved the relevant resolutions, pursuant to which, as Dr. Xi Juntong would soon complete six consecutive years of service as an independent non-executive director of the Company, it was agreed that Dr. Xi Juntong would cease to serve as an independent non-executive director, a member of the strategy committee, a member of the audit committee, the chairman and a member of the nomination committee, and the chairman and a member of the remuneration committee of the Company. Dr. Xi Juntong would continue to perform his duties as an independent non-executive director and in the special committees of the Board until the date of election of a new independent non-executive director by the shareholders of the Company at the general meeting. The Board approved to nominate Mr. Dong Jianhua as a candidate for director and Dr. Du Zhaohui as a candidate for independent non-executive director of the fifth session of the Board of the Company, with the term of office from the date on which their appointment is approved at the general meeting to the end of the term of the fifth session of the Board. On the same day, the supervisory committee considered and approved the relevant resolutions, pursuant to which, Mr. Cai Xiaoqing resigned as the chairman of the supervisory committee and a supervisor of the Company due to personal reasons and Mr. Han Quanzhi resigned as a supervisor of the Company due to personal reasons. Mr. Cai Xiaoqing would continue to perform his duties as the chairman of the supervisory committee and a supervisor until the election of a new supervisor at the general meeting of the Company, and Mr. Han Quanzhi would continue to perform his duties as a supervisor until the election of a new supervisor at the general meeting of the Company. The supervisory committee agreed to nominate Mr. Xu Jianguo and Ms. Guo Haohuan as candidates for supervisor of the fifth session of the supervisory committee of the Company, with the terms of office from the date on which their appointment is approved at the general meeting to the end of the term of the fifth session of the supervisory committee. An extraordinary general meeting will be convened by the Company to approve the resolutions of appointment of director, independent non-executive director and supervisors.

DISCLOSURE OF INFORMATION ON STOCK EXCHANGE'S WEBSITE

This results announcement will be published on the Company's website (<http://www.shanghai-electric.com>) and the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>). The 2024 Interim Report of the Company will be published on the above websites, and will be despatched to the shareholders of the Company who have already provided instructions indicating their preference to receive hard copies in due course.

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

Shanghai, the PRC, 30 August 2024

As at the date of this announcement, the executive directors of the Company are Dr. WU Lei and Mr. ZHU Zhaokai; the non-executive directors of the Company are Mr. SHAO Jun and Ms. LU Wen; and the independent non-executive directors of the Company are Dr. XI Juntong, Dr. XU Jianxin and Dr. LIU Yunhong.

** For identification purposes only*