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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)

DISCLOSEABLE TRANSACTION

PROPOSED ACQUISITION OF PARTIAL EQUITY INTERESTS IN SUBSIDIARIES

INTRODUCTION

Reference is made to the announcement of the Company dated 20 June 2019, in relation to the intention of the Company to introduce third-party investors for the capital contribution to certain subsidiaries. The Company proposes to enter into the Agreement on Equity Transfer with ICBC Investment, BOCOM Investment, and BOC Investment before 14 April 2023 to acquire the equity interests of the Target companies held by ICBC Investment, BOCOM Investment and BOC Investment, namely 48.18% equity interests in SEIC, 39.42% equity interests in SEMC, 48.88% equity interests in SIMEE, and 42.20% equity interests in SENPE. The total Equity Transfer price is RMB10.004 billion. After the completion of this transaction, the Company will hold 100% equity interests in the Target Companies, and ICBC Investment, BOCOM Investment and BOC Investment will no longer hold equity interests in the Target Companies. The funds used by the Company to implement this transaction come from merger and acquisition loans and its self-owned funds.

On 29 March 2023, the proposed Equity Transfer mentioned above has been reviewed and approved by the Board of the Company.

IMPLICATIONS UNDER THE LISTING RULES

Having considered the implications of the Rule 14.22 and Rule 14.23 under the Listing Rules, the Company aggregated the transactions contemplated under the Agreement on Equity Transfer. As the highest applicable percentage ratio upon aggregation is higher than 5% but less than 25%, the transactions contemplated under the Agreement on Equity Transfer constitute a discloseable transaction of the Company and shall be subject to reporting and announcement requirements, but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

I. INTRODUCTION

Reference is made to the announcement of the Company dated 20 June 2019, in relation to the intention to introduce third-party investors for the capital contribution to certain subsidiaries. In June 2019, SEIC, SEMC, SIMEE and SENPE, all being subsidiaries of the Company, adopted the proposed cash capital contribution and used cash received for repayment of debts, to implement the market-based debt-to-equity conversion and introduce ICBC Investment, BOCOM Investment and BOC Investment to make cash contribution of RMB9.1 billion in aggregate to the abovementioned four Target Companies. The proceeds from the Capital Contribution were used for repayment of borrowings of the Company or the Target Companies from financial institutions. The above parties have respectively signed Shareholders Contracts for the four Target Companies on capital contribution matters.

After friendly negotiation between all parties, the Company proposes to sign Agreement on Equity Transfer with ICBC Investment, BOCOM Investment and BOC Investment before 14 April 2023 to acquire the equity interests of the Target companies held by ICBC Investment, BOCOM Investment, and BOC Investment, namely 48.18% equity interests in SEIC, 39.42% equity interests in SEMC, 48.88% equity interests in SIMEE and 42.20% equity interests in SENPE. The total Equity Transfer price is RMB 10.004 billion. After the completion of this transaction, the Company will hold 100% equity interests in the Target Companies, and ICBC Investment, BOCOM Investment and BOC Investment will no longer hold equity interests in the Target Companies. The funds used by the Company to implement this transaction come from merger and acquisition loans and its self-owned funds.

On 29 March 2023, the proposed Equity Transfer mentioned above has been reviewed and approved by the Board of the Company.

Before and after the Equity Transfer, the Company, as the controlling shareholder of the Target Companies, has actual control over the Target Companies, and all the Target Companies are subsidiaries of the Company. After the completion of the Equity Transfer, all the Target Companies will be wholly-owned subsidiaries of the Company.

To the best of the Directors' knowledge, information and belief after having made all reasonable inquiries, all counterparties in the Equity Transfer and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. The Equity Transfer will not constitute a connected transaction under Chapter 14A of the Listing Rules.

II. THE AGREEMENT ON EQUITY TRANSFER TO BE SIGNED

The major terms of the Agreement on Equity Transfer to be signed are summarized as follows:

Parties:	<p>Party A: BOCOM Financial Asset Investment Company Limited, ICBC Financial Assets Investment Co., Ltd., and BOC Financial Asset Investment Co., Ltd.</p> <p>Party B: Shanghai Electric Group Company Limited</p>
Consideration:	<p>The parties agree that Party B shall, in accordance with the transfer price agreed in this agreement, pay to Party A the SEIC equity transfer price of RMB3.298 billion, SEMC equity transfer price of RMB2.748 billion, SIMEE equity transfer price of RMB1.759 billion, and SENPE equity transfer price of RMB2.199 billion before 14 April 2023, after meeting all the conditions precedent of this agreement; The total payment is RMB10.004 billion.</p>
Payment:	<p>The date on which Party A receives the target Equity Transfer price paid by Party B shall be the completion date of the Equity Transfer.</p>
Conditions precedent:	<p>The parties to this Equity Transfer are premised on the satisfaction of the following conditions precedent:</p> <p>(1) The agreement has been legally entered into by all parties and have taken effect;</p> <p>(2) The Target Companies passed a resolution of the shareholders' meeting on this Equity Transfer;</p> <p>(3) Party B shall complete the necessary internal and external approval procedures for this Equity Transfer.</p>
Transfer of rights and obligations:	<p>Unless otherwise agreed in the Agreement on Equity Transfer, since the Equity Transfer completion date, Party B shall enjoy and assume the voting rights, nomination rights, dividend distribution rights, residual property distribution rights, and other rights and obligations conferred on shareholders by laws and regulations and the Articles of Association of the Target Companies that Party A enjoys based on the target equity. If any third party claims rights against Party A based on Party A's status as a shareholder of the Target Companies, Party B shall assume corresponding obligations and responsibilities. If Party A bears corresponding responsibilities or losses therefrom, it has the right to claim compensation from Party B. If Party A must bear corresponding responsibilities or losses due to its own fault or negligence, or if the third party claims rights against Party A based on its status as a shareholder of the Target Companies before the complete date, it is not within the scope of the above agreement. All parties unanimously agree that during the period when Party A is shareholders of the Target Companies, there are no liability, compensation, penalty or loss related to Party A's investment behavior that the Target companies are supposed to bear directly or indirectly, and there will be no liability or contingent liability of the Target companies due to Party A's fault or negligence.</p>
Liability for breach of contract:	<p>Any breach of this agreement by either party, or any untrue, inaccurate, or misleading representation or warranty under this agreement, shall constitute a breach of contract, and the breaching party shall be liable to the observant party for breach of contract.</p>

III. EVALUATION AND PRICING OF TRANSACTION OBJECTIVES

The Company proposed to sign Agreement on Equity Transfer with ICBC Investment, BOCOM Investment and BOC Investment, pursuant to which, the Company proposed to exercise the purchase right according to the Shareholders Contracts and acquire the 48.18% equity interests in SEIC, 39.42% equity interests in SEMC, 48.88% equity interests in SIMEE, and 42.20% equity interests of SENPE.

According to the asset valuation reports issued by Shanghai Orient Appraisal Co., Ltd., as of June 30, 2022, the assessed value of the partial equity of the Target Companies which is proposed to be transferred is RMB 9.222 billion.

In accordance with the provisions of the Agreement on Equity Transfer, after consensus among all parties, the total equity transfer price of the Target Companies to be transferred is RMB 10.004 billion. for:

Transfer price = investment principal + (P-D)/0.75.

Among them: P=investment principal × expected comprehensive annualized rate of return × number of days from the date of capital contribution to the date of payment of the transfer price by Party A (ICBC Investment, BOCOM Investment and BOC Investment)/365, and the expected comprehensive annualized rate of return is 5.9%; D is the total amount of dividends (including delayed dividends) that the Target Companies have distributed and paid to Party A as of the date of full payment of the transfer price.

IV. REASONS FOR AND BENEFITS OF ENTERING INTO SUCH TRANSACTIONS

This transaction agreed between the Company and other shareholders of the Target Companies by consensus to acquire partial equity interests in the Target Companies, which is conducive to enhance the control over the Target Companies.

V. EFFECTS OF THE TRANSACTION

This transaction was conducted by the Company in accordance with the relevant agreements and arrangements entered into during the implementation of market-oriented debt-to-equity conversion in 2019, and through negotiation with all investors. After the completion of this transaction, there will be no change in the scope of the consolidated financial statements of the Company. The funds used by the Company to implement this transaction come from merger and acquisition loans and its self-owned funds, which will not have a significant impact on the Company's financial and operating conditions.

VI. IMPLICATIONS UNDER THE LISTING RULES

Having considered the implications of the Rule 14.22 and Rule 14.23 of the Listing Rules, the Company aggregated the transactions contemplated under the Agreement on Equity Transfer. As the highest applicable percentage ratio upon aggregation is higher than 5% but less than 25%, the transactions contemplated under the Agreement on Equity Transfer constitute a discloseable transaction of the Company and shall be subject to reporting and announcement requirements, but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

VII. OPINIONS OF THE BOARD

The transaction has been considered and approved by the Company at the 78th meeting of the fifth session of the Board of the Company on 29 March 2023. None of the Directors shall abstain from voting on the relevant Board resolution concerning the transaction under the Agreement on Equity Transfer.

The Directors (including the independent non-executive Directors of the Company) are of the view that the proposed transaction under the Agreement on Equity Transfer is agreed on normal commercial terms and is fair and reasonable, in the interests of the Company and all its shareholders, but not in the ordinary or usual course of business of the Group due to the nature of the transaction.

VIII. GENERAL INFORMATION

A. Information on the Group

The Group engaged in the following principal businesses in China: (i) energy equipment segment, including the design, manufacturing, and sales of nuclear power equipment, energy storage equipment, wind power equipment, coal-fired power generation and supporting equipment, gas power generation equipment, high-end chemical equipment, and the provision of power grid and industrial intelligent power supply system solutions; (ii) industrial equipment segment, including the design, manufacturing, and sales of elevators, large and medium-sized motors, intelligent manufacturing equipment, industrial infrastructure, and construction industrialization equipment; and (iii) integrated service segment, including the provision of energy, environmental protection and automation engineering and services, including various traditional and new energy sources, comprehensive utilization of solid waste, sewage treatment, flue gas treatment, rail transit, etc.; industrial Internet services; financial services, including financial leasing, factoring, asset management and insurance brokerage, etc.; property management services mainly based on industrial real estate, etc. The ultimate beneficial owner of the Group is Shanghai State-owned Assets Supervision and Administration Commission.

B. Information on Target Companies

SEIC

1. Basic information

Enterprise name	Shanghai Electric Industrial Investment Co., Ltd.
Enterprise nature	A company with limited liability
Unified social credit code	913101061324070052
Date of incorporation	28 September 1993
Legal representative	WANG Dahai
Registered capital	RMB209,700.6 thousand
Registered address	Room 1701, Building 1-5, No. 600, Hengfeng Road
Business scope	Sino-foreign joint venture in mechanical and electrical enterprises, organizing the export of mechanical and electrical products, foreign aid, bidding, and domestic trade business, providing foreign technical services and labor services, and designing product samples. (Projects subject to approval according to law can only be operated with the approval of relevant departments)
Business term	28 September 1993 to an open-ended period

2. Shareholding structure

Unit: RMB100 million

Shareholders	Before acquisition		After acquisition	
	Amount of contribution	Shareholding ratio	Amount of contribution	Shareholding ratio

The Company	1.0864	51.82%	2.0970	100%
ICBC Investment	0.3369	16.06%	-	-
BOCOM Investment	0.3369	16.06%	-	-
BOC Investment	0.3369	16.06%	-	-

3. Key financial data

Unit: RMB100 million

Particulars	2021	2022
Operating revenue	2.19	2.31
Profit before tax	7.26	2.04
Profit after tax	5.67	1.58
Net profit after deducting non-recurring profit and loss	1.44	0.84
Particulars	31 December 2021	31 December 2022
Total assets	68.38	66.31
Total liabilities	6.62	6.88
Net assets	61.76	59.43

The abovementioned financial data for 2021 has been audited by PricewaterhouseCoopers Zhong Tian LLP, for which the standard auditor's report with unqualified opinion has been issued, while the 2022 data has not been audited.

SEMC

1. Basic information

Enterprise name	Shanghai Electric Group Shanghai Machinery Co., Ltd.
Enterprise nature	A company with limited liability
Unified social credit code	913101126316510299
Date of incorporation	24 February 2000
Legal representative	ZHOU Bingqian
Registered capital	RMB399,146.2 thousand
Registered address	No. 555 Jiangchuan Road, Minhang District, Shanghai

Business scope	R&D of motor and its control system; Motor manufacturing; Generator and generator set manufacturing; Manufacturing of marine auxiliary equipment; Sales of generators and generator sets; Sales of steam turbines and auxiliary equipment; Sales of offshore wind turbines; Sales of offshore wind power related equipment; Sales of onshore wind turbines; Sales of wind turbines and components; Technical services, technical development, technical consultation, technical exchange, technology transfer, and technology promotion; R&D of efficient energy-saving technology in the power industry; Electric dynamometer motor manufacturing; Sales of electric dynamometer motors; Sales of electrical equipment; Sales of mechanical equipment; Manufacturing of mechanical and electrical equipment; Sales of mechanical and electrical equipment; General equipment manufacturing (excluding special equipment manufacturing); Sales of mining machinery; Bearing manufacturing; Bearing sales; Manufacturing of bearings, gears, and transmission components; Sales of bearings, gears and transmission components; Mold sales; Manufacturing of power electronic components; Sales of power electronic components; Manufacturing of capacitors and supporting equipment; Sales of capacitors and supporting equipment; General mechanical equipment installation services; Electrical equipment repair; Business management consultation; Software development; Software sales; Software outsourcing services; Information consultation services (excluding licensing information consultation services); Information technology consulting services; Lease of mechanical equipment; Non-residential real estate leasing; General cargo warehousing services (excluding hazardous chemicals and other projects requiring approval); Import and export of goods; Technology import and export; Property management; Conference and exhibition services. (If any project in the business scope of the Company falls within the scope of approval required by laws, administrative regulations, or decisions of the State Council before registration, it shall be reported to the relevant national departments for approval before applying for registration.)
Business term	24 February 2000 to 23 February 2050

2. Shareholding structure

Unit: RMB100 million

Shareholders	Before acquisition		After acquisition	
	Amount of contribution	Shareholding ratio	Amount of contribution	Shareholding ratio
The Company	2.4182	60.58%	3.9915	100%
ICBC Investment	0.6293	15.77%	-	-

BOCOM Investment	0.6293	15.77%	-	-
BOC Investment	0.3147	7.88%	-	-

3. Key financial data

Unit: RMB100 million

Particulars	2021	2022
Operating revenue	54.09	45.21
Profit before tax	1.32	0.09
Profit after tax	1.08	0.15
Net profit after deducting non-recurring profit and loss	0.71	-0.40
Particulars	31 December 2021	31 December 2022
Total assets	93.78	89.32
Total liabilities	52.07	52.11
Net assets	41.71	37.21

The abovementioned financial data for 2021 has been audited by PricewaterhouseCoopers Zhong Tian LLP, for which the standard auditor's report with unqualified opinion has been issued, while the 2022 data has not been audited.

SIMEE

1. Basic information

Enterprise name	Shanghai Institute of Mechanical & Electrical Engineering Co., Ltd.
Enterprise nature	A company with limited liability
Unified social credit code	913101061322049614
Date of incorporation	16 October 1990
Legal representative	GU Zhiqiang
Registered capital	RMB1,956,123.4 thousand
Registered address	No. 1287, Beijing West Road, Jing'an District, Shanghai

Business scope	Accepting the entrustment to undertake engineering design, general contracting, construction supervision, engineering equipment supervision, environmental engineering design, electric power engineering design, municipal professional construction engineering design in domestic and foreign machinery, construction, medicine, light industry, and commercial industries; Preparing and reviewing investment estimates, economic evaluations, budget estimates, budget, settlement, completion final budget, bidding base prices, bidding quotation, and project cost monitoring of construction projects; Bidding and tendering agency for construction projects; Foreign economic and technological cooperation business (according to the approval content); Technical consultation business in construction project drawing review, domestic and foreign design, and electromechanical design; Engaged in the import and export business of goods and technology; Other printing, copying, business card printing, environmental impact assessment of construction projects (see permit for details); Software development; Engaged in technical development, technical transfer, technical consultation, technical services in the field of environmental protection technology and network technology; R&D of machinery, environmental protection, medical equipment, energy storage, construction materials products, and sales of related products; Sales of communication equipment and medical devices; Data processing; Water environmental pollution prevention and control services, and atmospheric environmental pollution prevention and control services. "Projects that require approval according to law can only be operated with the approval of relevant departments. (Projects subject to approval according to law can only be operated with the approval of relevant departments)
Business term	16 October 1990 to 30 June 2034

2. Shareholding structure

Unit: RMB100 million

Shareholders	Before acquisition		After acquisition	
	Amount of contribution	Shareholding ratio	Amount of contribution	Shareholding ratio
The Company	10	51.12%	19.5612	100%
ICBC Investment	4.7806	24.44%	0	0
BOCOM Investment	4.7806	24.44%	0	0

3. Key financial data

Unit: RMB100 million

Particulars	2021	2022
Operating revenue	36.17	34.60
Profit before tax	-1.07	-7.88
Profit after tax	-0.13	-7.96
Net profit after deducting non-recurring profit and loss	-1.09	-2.48
Particulars	31 December 2021	31 December 2022
Total assets	123.65	100.30
Total liabilities	87.01	74.66
Net assets	36.64	25.64

The abovementioned financial data for 2021 has been audited by Baker Tilly China Certified Public Accountants, for which the standard auditor's report with unqualified opinion has been issued, while the 2022 data has not been audited.

SENPE

1. Basic information

Enterprise name	Shanghai Electric Nuclear Power Equipment Corporation Ltd.
Enterprise nature	A company with limited liability
Unified social credit code	91310115797013406W
Date of incorporation	21 December 2006
Legal representative	LI Huagang
Registered capital	RMB3,619,134.2 thousand
Registered address	No. 77, Chuanlin Road, Lingang Special Area, China (Shanghai) Pilot Free Trade Zone
Business scope	Design, manufacturing, installation, and maintenance of civil nuclear safety equipment, chemical, metallurgical, mining, water conservancy, electromechanical equipment, and complete sets of engineering machinery; technical services, technical consultation, technical development, and technology transfer in the specialized fields of civil nuclear pressure

	equipment, chemical, metallurgical, mining, water conservancy, electromechanical equipment, and complete sets of engineering machinery; and the import and export of goods and technology. (Projects subject to approval according to law can only be operated with the approval of relevant departments)
Business term	21 December 2006 to 20 December 2026

2. Shareholding structure

Unit: RMB100 million

Shareholders	Before acquisition		After acquisition	
	Amount of contribution	Shareholding ratio	Amount of contribution	Shareholding ratio
The Company	20.92	57.8%	36.1913	100.0%
ICBC Investment	7.6357	21.1%	-	-
BOCOM Investment	7.6357	21.1%	-	-

3. Key financial data

Unit: RMB100 million

Particulars	2021	2022
Operating revenue	7.06	9.21
Profit before tax	0.95	0.53
Profit after tax	0.93	0.51
Net profit after deducting non-recurring profit and loss	0.91	0.50
Particulars	31 December 2021	31 December 2022
Total assets	58.32	60.22
Total liabilities	15.51	17.04
Net assets	42.81	43.18

The abovementioned financial data for 2021 has been audited by PricewaterhouseCoopers Zhong Tian LLP, for which the standard auditor's report with unqualified opinion has been issued, while the 2022 data has not been audited.

OTHER NOTES

The equity ownership of the Target Companies in this transaction is clear, and there is no mortgage, pledge, or any other restriction on transfer. There is no significant litigation, arbitration, or judicial measures such as being sealed up or frozen, and there are no other circumstances that hinder the transfer of ownership.

C. Information on Investors

ICBC Investment

Enterprise name	ICBC Financial Assets Investment Co., Ltd.
Enterprise nature	A company with limited liability (sole proprietorship of legal person)
Unified social credit code	91320100MA1R80HU09
Legal representative	FENG Junfu
Registered capital	RMB27 billion
Registered address	Floor 19-20, Building B, Phase I, Yangzi Science and Technology Innovation Center, Jiangbei New Area, 211, Pubin Road, Nanjing
Business term	26 September 2017 to an open-ended period

As approved by CBRC, ICBC Investment was established as one of the first batch of domestic implementation institutions for market-oriented debt-to-equity conversion in the banking system. It is principally engaged in the market-oriented debt-to-equity conversion business. Industrial and Commercial Bank of China Limited holds 100% equity interests in ICBC Investment.

Upon inquiry, ICBC Investment is not a dishonest executor.

BOCOM Investment

Enterprise name	BOCOM Financial Asset Investment Company Limited
Enterprise nature	A company with limited liability (sole proprietorship of legal person)
Unified social credit code	91310112MA1GBUG23E

Legal representative	ZHENG Zhiyang
Registered capital	RMB10 billion
Registered address	Room 501-1, No. 4, Lane 1369, Lianhang Road, Minhang District, Shanghai
Business term	29 December 2017 to an open-ended period

To implement the national supply-side structural reform and reduce corporate leverage requirements, as approved by CBRC, BOCOM Investment was established as one of the first batch of domestic implementation institutions for market-oriented debt-to-equity conversion in the banking system. It is principally engaged in the market-oriented debt-to-equity conversion business. Bank of Communications Co., Ltd. holds 100% equity interests in BOCOM Investment.

Upon inquiry, BOCOM Investment is not a dishonest executor.

BOC Investment

Enterprise name	BOC Financial Asset Investment Co., Ltd.
Enterprise nature	A company with limited liability (sole proprietorship of legal person)
Unified social credit code	91110000MA018TBC9L
Legal representative	HUANG Danggui
Registered capital	RMB14.5 billion
Registered address	Floor 15, Block C, No. 2, Chaoyangmennei Street, Dongcheng District, Beijing
Business term	16 November 2017 to an open-ended period

As a non-banking financial institution mainly engaged in debt-to-equity conversion and supporting business, BOC Investment is committed to serving the national supply-side structural reform and the development strategy of the Bank of China Group. It uses debt-to-equity conversion as a means to meet customers' leverage reduction and diversified financing needs, and provides customers with efficient and high-quality integrated financial services. Bank of China Limited holds 100% equity interests in BOC Investment.

Upon inquiry, BOC Investment is not a dishonest executor.

DEFINITIONS

“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“A Share(s)”	the domestic ordinary share(s) of nominal value RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange and traded in RMB;
“Board”	the board of directors of the Company;
“BOC Investment”	BOC Financial Asset Investment Co., Ltd., a company incorporated in PRC with limited liability;
“BOCOM Investment”	BOCOM Financial Asset Investment Company Limited, a company incorporated in PRC with limited liability;
“Equity Transfer”	the equity transfer conducted by the parties in accordance with the Agreement on Equity Transfer;
“Agreement on Equity Transfer”	the agreements proposed to be entered into between the Company and ICBC Investment, BOCOM Investment, and BOC Investment regarding the acquisition by the Company of partial equity in SEIC, SEMC, SIMEE, and SENPE;
“Company”	Shanghai Electric Group Company Limited, a joint stock limited company duly incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange under stock code 02727 and the A shares of which are listed on the Shanghai Stock Exchange under stock code 601727;
“Consideration”	the consideration payable by the transferees to the transferors pursuant to their respective Investment Agreements;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“CBRC”	China Banking Regulatory Commission, merging with China Insurance Regulatory Commission to establish the China Banking and Insurance Regulatory Commission on April 8, 2018;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“H Share(s)”	the overseas listed foreign capital share(s) of nominal value RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars;

“ICBC Investment”	ICBC Financial Assets Investment Co., Ltd., a company incorporated in PRC with limited liability;
“Investor(s)”	BOC Investment, ICBC Investment and BOCOM Investment, each as an “Investor” and collectively referred to as “Investors” (depending on the context);
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement only, does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SEIC”	Shanghai Electric Industrial Investment Co., Ltd., a company incorporated in PRC with limited liability, which is a subsidiary of the Company as at the date of the announcement;
“SEMC”	Shanghai Electric Group Shanghai Machinery Co., Ltd., a company incorporated in PRC with limited liability, which is a subsidiary of the Company as at the date of the announcement;
“SENPE”	Shanghai Electric Nuclear Power Equipment Corporation Ltd., a company incorporated in PRC with limited liability, which is a subsidiary of the Company as at the date of the announcement;
“Shares”	the shares of the Company, including both A Shares and H Shares;
“Shareholders”	the shareholders of the Company, including holders of A shares of the Company and holders of H shares of the Company;
“Shareholders Contracts”	the Shareholder Contracts of the Target Companies entered into by the Company, BOC Investment, ICBC Investment and BOCOM Investment;
“SIMEE”	Shanghai Institute of Mechanical & Electrical Engineering Co., Ltd., a company incorporated in PRC with limited liability, which is a subsidiary of the Company as at the date of the announcement;
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules;
“Target Company(ies)”	SEIC, SEMC, SIMEE and SENPE, each as a “Target Company” and collectively referred to as “Target Companies” (depending on the context); and
“%”	per cent.

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

Shanghai, the PRC, 29 March 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*