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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 First Quarterly Report

Pursuant to the regulations and rules of the China Securities Regulatory Commission and the Shanghai Stock Exchange, Shanghai Electric Group Company Limited (the “**Company**”) is required to announce the quarterly results.

This announcement is made pursuant to the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) and Rule 13.09(2) and Rule 13.10B of the Listing Rules.

The board of directors (the “**Directors**”) of the Company (the “**Board**”) hereby announces the results of the Company and its subsidiaries for the three months ended 31 March 2024 prepared in accordance with the PRC Accounting Standard for Business Enterprises. Such results have not been audited by independent auditors but have been reviewed by the audit committee of the Company.

This announcement is made pursuant to the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) (as defined in the Listing Rules) and Rule 13.09(2) and Rule 13.10B of the Listing Rules.

IMPORTANT NOTICE

The Board and the supervisory committee of the Company together with the Directors, supervisors and the senior management of the Company jointly and severally accept legal responsibility in the truthfulness, accuracy and completeness of the content of this quarterly report and confirm that there are no false statements or misleading representations contained in or material omissions from this quarterly report.

Dr. WU Lei, person-in-charge of the Company, Mr. ZHOU Zhiyan, person-in-charge of

accounting and Mr. LI Chuan, head of accounting department, warrant the truthfulness, accuracy and completeness of the financial information within this quarterly report.

MAJOR FINANCIAL INFORMATION

Major accounting data and financial indicators

Unit: '000¹ Currency: RMB¹

| Particulars | the Reporting Period ² | | Percentage of Year-on-Year Change in the Reporting Period (%) |
|---|---------------------------------------|------------------------------------|---|
| Total revenue | 20,586,986 | | -3.30 |
| Revenue | 20,446,608 | | -3.31 |
| Net profit attributable to shareholders of the Company | 32,009 | | -91.27 |
| Net profit attributable to shareholders of the Company after excluding non-recurring profit or loss items | -119,582 | | N/A |
| Net cash flow generated from operating activities | -6,932,238 | | N/A |
| Basic earnings per share (RMB/share) | 0.0021 | | -91.06 |
| Diluted earnings per share (RMB/share) | 0.0021 | | -91.06 |
| Return on net assets on a weighted average basis (%) | 0.06 | | A decrease of 0.61 percentage point |
| | As at the End of the Reporting Period | As at the End of the Previous Year | Change from the End of the Previous Year to the End of the Reporting Period (%) |
| Total assets | 278,649,841 | 283,266,567 | -1.63 |
| Net assets attributable to shareholders of the Company | 52,700,043 | 52,797,888 | -0.19 |

Note 1: unless otherwise specified.

Note 2: "the Reporting Period" refers to the three-month period from the beginning of this quarter to the end of this quarter, the same below.

Non-recurring profit and loss items and amounts

Unit: '000 Currency: RMB

| Particulars | the Reporting Period |
|--|----------------------|
| Profit or loss on disposal of non-current assets, including elimination of provision for impairment of assets | 4,417 |
| Government grants recognised in profit or loss for the current period, except for those government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and that have a sustained impact on the Company's profit or loss | 135,333 |
| Profit or loss arising from changes in the fair value of holding financial assets/liabilities and profit or loss arising from disposal of financial assets/liabilities by non-financial corporations, except effective hedging business related to the Company's normal operations | -1,641 |
| Reversal of provision for impairment of receivables tested for impairment on an individual basis | 103,150 |
| Non-operating income and expenses other than aforesaid items | 5,184 |
| Other items that meet the definition of non-recurring profit and loss | 50,183 |
| Less: Effect of income tax | 60,010 |
| Effect of minority interests (net of tax) | 85,025 |
| Total | 151,591 |

Changes of principal items in the financial statements and financial indicators of the Company and the underlying reasons

| Particulars | Percentage of change (%) | Principal reasons |
|---|-------------------------------------|--|
| Net profit attributable to shareholders of the Company | -91.27 | The decrease in net profit attributable to shareholders of the Company as compared to the corresponding period of the previous year was mainly attributable to the increase in loss arising from fluctuations in the fair value of financial assets held by the Company as compared to the corresponding period of the previous year, with the loss from changes in fair value amounting to RMB249 million for the current period as compared to a gain of RMB315 million for the corresponding period of the previous year. |
| Net profit attributable to shareholders of the Company after excluding non-recurring profit or loss items | N/A | |
| Basic earnings per share (RMB/share) | -91.06 | |
| Diluted earnings per share (RMB/share) | -91.06 | |
| Return on net assets on a weighted average basis (%) | A decrease of 0.61 percentage point | |

FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED BALANCE SHEET

As at 31 March 2024

Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

| Particulars | As at 31 March 2024 | As at 31 December 2023 |
|--|------------------------|---------------------------|
| Current assets: | | |
| Cash at bank and on hand | 34,189,044 | 30,164,902 |
| Clearing settlement funds | 5,804 | 5,804 |
| Placements to banks and other financial institutions | 9,764,304 | 18,054,967 |
| Financial assets held for trading | 7,392,786 | 7,492,363 |
| Derivative financial assets | 1,675 | 12,798 |
| Notes receivable | 3,992,049 | 3,995,445 |
| Accounts receivable | 37,485,696 | 40,477,926 |
| Receivables financing | 986,575 | 1,354,944 |
| Prepayments | 10,851,559 | 9,511,724 |
| Premium receivable | | |
| Amounts due from reinsurers | | |
| Reinsurance contract reserve receivable | | |
| Other receivables | 6,109,639 | 5,984,167 |
| Inclusive : Interest receivable | 162,207 | 142,946 |
| Dividends receivable | 71,709 | 68,778 |
| Financial assets purchased under resale agreements | 1,599,228 | 1,135,620 |
| Inventories | 35,861,933 | 32,423,705 |
| Inclusive : Data resources | | |
| Contract assets | 20,567,926 | 21,913,397 |
| Assets held for sale | | |
| Current portion of non-current assets | 1,910,323 | 1,976,785 |
| Other current assets | 15,236,728 | 17,322,171 |
| Total current assets | 185,955,269 | 191,826,718 |
| Non-current assets: | | |
| Loans and advances | 8,555,555 | 7,370,067 |
| Debt investments | 153,590 | 152,570 |
| Other debt investments | 57,384 | |
| Long-term receivables | 3,075,336 | 3,067,193 |
| Long-term equity investments | 11,073,553 | 11,001,371 |
| Other equity instrument investments | | |

| | | |
|---|-------------|-------------|
| Other non-current financial assets | 7,075,879 | 7,339,112 |
| Investment properties | 573,647 | 608,798 |
| Fixed assets | 20,047,865 | 20,427,312 |
| Constructions in progress | 2,635,075 | 1,934,072 |
| Bearer biological assets | | |
| Oil and gas assets | | |
| Right-of-use assets | 1,439,007 | 1,410,284 |
| Intangible assets | 12,212,582 | 12,256,813 |
| Inclusive : Data resources | | |
| Development expenditures | 45,226 | 31,661 |
| Inclusive : Data resources | | |
| Goodwill | 3,206,510 | 3,244,929 |
| Long-term prepaid expenses | 482,696 | 504,145 |
| Deferred tax assets | 8,326,648 | 8,300,768 |
| Other non-current assets | 13,734,019 | 13,790,754 |
| Total non-current assets | 92,694,572 | 91,439,849 |
| Total assets | 278,649,841 | 283,266,567 |
| Current liabilities: | | |
| Short-term borrowings | 7,585,976 | 8,272,416 |
| Borrowings from central banks | | |
| Placements from banks and other financial institutions | | |
| Financial liabilities held for trading | 34,435 | 34,435 |
| Derivative financial liabilities | 6,499 | 3,425 |
| Notes payable | 10,601,099 | 12,074,199 |
| Accounts payable | 60,255,902 | 59,610,479 |
| Advances from customers | 856,215 | 859,959 |
| Contract liabilities | 45,269,167 | 44,207,113 |
| Financial assets sold under repurchase agreement | | 1,000,000 |
| Deposits from customers, banks and other financial institutions | 4,568,112 | 7,270,530 |
| Customer brokerage deposits | | |
| Securities underwriting brokerage deposits | | |
| Employee benefits payable | 4,291,797 | 5,381,579 |
| Taxes payable | 1,686,804 | 2,466,028 |
| Other payables | 7,536,775 | 8,144,533 |
| Inclusive : Interest payable | 313,449 | 304,179 |
| Dividends payable | 149,013 | 165,521 |
| Fee and commissions payable | | |
| Amounts due to reinsurer | | |
| Liabilities held for sale | | |
| Current portion of non-current | 5,188,868 | 6,898,720 |

| | | |
|--|-------------|-------------|
| liabilities | | |
| Other current liabilities | 12,642,947 | 11,501,165 |
| Total current liabilities | 160,524,596 | 167,724,581 |
| Non-current liabilities: | | |
| Reserve of insurance contracts | | |
| Long-term borrowings | 33,095,114 | 30,893,868 |
| Bonds payable | 749,453 | 749,300 |
| Inclusive: Preferred shares | | |
| Perpetual bond | | |
| Lease liabilities | 1,166,258 | 1,150,996 |
| Long-term payables | 612,179 | 561,953 |
| Long-term employee benefits payable | 185,050 | 187,568 |
| Provisions | 3,071,556 | 3,028,758 |
| Deferred income | 1,284,292 | 1,333,337 |
| Deferred tax liabilities | 624,356 | 614,502 |
| Other non-current liabilities | 92,234 | 95,064 |
| Total non-current liabilities | 40,880,492 | 38,615,346 |
| Total liabilities | 201,405,088 | 206,339,927 |
| Equity: | | |
| Paid in capital (or share capital) | 15,579,809 | 15,579,809 |
| Other equity instruments | | |
| Inclusive: Preferred shares | | |
| Perpetual bond | | |
| Capital surplus | 19,476,900 | 19,476,900 |
| Less: Treasury stocks | | |
| Other comprehensive income | -112,304 | 21,601 |
| Special reserve | 138,107 | 134,056 |
| Surplus reserve | 5,906,524 | 5,906,524 |
| General provisions | | |
| Retained earnings | 11,711,007 | 11,678,998 |
| Equity attributable to owners (or shareholders) of the Company | 52,700,043 | 52,797,888 |
| Non-controlling interests | 24,544,710 | 24,128,752 |
| Total equity | 77,244,753 | 76,926,640 |
| Total equity and liabilities | 278,649,841 | 283,266,567 |

Person-in-charge of the
Company:
WU Lei

Person-in-charge of
accounting:
ZHOU Zhiyan

Head of accounting
department:
LI Chuan

UNAUDITED CONSOLIDATED INCOME STATEMENT

From 1 January 2024 to 31 March 2024

Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

| Particulars | For the period from 1 January 2024 to 31 March 2024 | For the period from 1 January 2023 to 31 March 2023 |
|--|--|--|
| 1. Total revenue | 20,586,986 | 21,289,809 |
| Inclusive: Revenue | 20,446,608 | 21,146,987 |
| Interest income | 140,245 | 141,093 |
| Premium earned | | |
| Fee and commission income | 133 | 1,729 |
| 2. Total operating cost | 19,994,249 | 21,245,908 |
| Inclusive: Operating cost | 16,481,059 | 17,522,804 |
| Interest costs | 27,842 | 20,804 |
| Fee and commission expenses | 241 | 197 |
| Cash surrender value | | |
| Claim settlement expenses, net | | |
| Net provision for insurance contracts | | |
| Policy dividend expense | | |
| Reinsurance expenses | | |
| Business taxes and surcharges | 123,698 | 118,395 |
| Selling and distribution expenses | 648,651 | 726,410 |
| General and administrative expenses | 1,628,213 | 1,651,270 |
| Research and development expenses | 1,014,255 | 985,482 |
| Financial expenses | 70,290 | 220,546 |
| Inclusive: Interest expenses | 420,919 | 363,485 |
| Interest income | 355,875 | 159,695 |
| Add: Other income | 298,090 | 238,130 |
| Investment income (losses are denoted by "-") | 362,857 | 391,353 |
| Inclusive: Income from investment in associates and joint ventures | 198,798 | 212,614 |
| Income from derecognition of financial assets measured at amortised cost | | |
| Exchange gains (losses are denoted by "-") | 2,593 | -334 |
| Net exposure hedging gains (losses are denoted by "-") | | |

| | | |
|--|-----------------|----------------|
| Gains or losses on changes in fair value (losses are denoted by “-”) | -249,240 | 315,041 |
| Credit impairment losses (losses are denoted by “-”) | -125,494 | -49,243 |
| Asset impairment losses (losses are denoted by “-”) | -83,977 | -57,164 |
| Gains on disposal of assets (losses are denoted by “-”) | 4,417 | 25,276 |
| 3. Operating profit (losses are denoted by “-”) | 801,983 | 906,960 |
| Add: Non-operating income | 17,966 | 22,175 |
| Less: Non-operating expenses | 12,782 | 26,496 |
| 4. Total profit (total losses are denoted by “-”) | 807,167 | 902,639 |
| Less: Income tax expenses | 253,967 | 209,567 |
| 5. Net profit (net losses are denoted by “-”) | 553,200 | 693,072 |
| (A) Classified by continuity of operations | | |
| (1) Net profit from continuing operations (net losses are denoted by “-”) | 553,200 | 693,072 |
| (2) Net profit from discontinued operations (net losses are denoted by “-”) | | |
| (B) Classified by ownership of the equity | | |
| (1) Attributable to shareholders of the parent company (net losses are denoted by “-”) | 32,009 | 366,853 |
| (2) minority interests (net losses are denoted by “-”) | 521,191 | 326,219 |
| 6. Other comprehensive income, net of tax | -144,167 | -64,440 |
| (A) Other comprehensive income, net of tax, attributable to shareholders of the parent company | -133,905 | -66,570 |
| (1) Other comprehensive income that will not be subsequently reclassified to profit or loss | | |
| (a) Changes arising from remeasurement of defined benefit plan | | |
| (b) Other comprehensive income that will not be reclassified to profit or loss under the equity method | | |
| (c) Changes in fair value of other equity instrument investments | | |
| (d) Changes in fair value of credit risk of the Company | | |
| (2) Other comprehensive income that will be subsequently reclassified to profit or loss | -133,905 | -66,570 |
| (a) Other comprehensive income that will | | |

| | | |
|---|----------|---------|
| be reclassified to profit or loss under the equity method | | |
| (b) Changes in fair value of other debt investments | -4,018 | 24,959 |
| (c) Other comprehensive income due to reclassification of financial assets | | |
| (d) Provision for credit impairment of other debt investments | | |
| (e) Cash flow hedging reserves | | |
| (f) Differences on translation of foreign currency financial statements | -129,887 | -91,529 |
| (g) Others | | |
| (B) Other comprehensive income, net of tax, attributable to minority shareholders | -10,262 | 2,130 |
| 7. Total comprehensive income | 409,033 | 628,632 |
| (A) Attributable to shareholders of the parent company | -101,896 | 300,283 |
| (B) Attributable to minority shareholders | 510,929 | 328,349 |
| 8. Earnings per share: | | |
| (A) Basic earnings per share (RMB/share) | 0.0021 | 0.0235 |
| (B) Diluted earnings per share (RMB/share) | 0.0021 | 0.0235 |

For the business combinations involving enterprises under common control during the period, the net profit recognized by the combined party before the combination was RMB0, and the net profit recognized by the combined party in the previous period was RMB0.

Person-in-charge of the
Company:
WU Lei

Person-in-charge of
accounting:
ZHOU Zhiyan

Head of accounting
department:
LI Chuan

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

From 1 January 2024 to 31 March 2024

Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

| Particulars | For the period from 1 January 2024 to 31 March 2024 | For the period from 1 January 2023 to 31 March 2023 |
|---|--|--|
| 1. Cash flows from operating activities: | | |
| Cash received from sales of goods or rendering of services | 27,727,378 | 24,875,004 |
| Net increase in deposits from customers, banks and other financial institutions | | |
| Net increase in borrowings from central banks | | |
| Net increase in placements from other financial institutions | | |
| Cash from premiums on original insurance contracts | | |
| Net cash received from reinsurance business | | |
| Net increase in insured's deposits and investments | | |
| Cash received from interest, fee and commission | | |
| Net increase in placements from banks and other financial institutions | | |
| Net increase of funds in repurchase business | | |
| Net cash received from customer brokerage | | |
| Refund of taxes and surcharges | 146,335 | 153,249 |
| Cash received relating to other operating activities | 1,090,970 | 954,281 |
| Total cash inflows from operating activities | 28,964,683 | 25,982,534 |
| Cash paid for goods and services | 23,777,023 | 22,951,844 |
| Net increase in customer loans and advances | | |
| Net increase in deposits with central banks, banks and other financial institutions | | |
| Cash paid for claim settlements on original insurance contracts | | |
| Net increase in placements to banks and other financial institutions | | |

| | | |
|---|------------|------------|
| Cash paid for interest, fee and commission | | |
| Cash paid for policy dividends | | |
| Cash paid to and on behalf of employees | 3,924,014 | 3,817,693 |
| Payments of taxes and surcharges | 1,324,596 | 1,383,181 |
| Cash paid relating to other operating activities | 6,871,288 | 7,060,761 |
| Total cash outflows from operating activities | 35,896,921 | 35,213,479 |
| Net cash flows from operating activities | -6,932,238 | -9,230,945 |
| 2. Cash flows from investing activities: | | |
| Cash received from disposal of investments | 3,184,251 | 2,903,557 |
| Cash received from returns on investments | 213,583 | 236,121 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 11,052 | 16,247 |
| Net cash received from disposal of subsidiaries and other business units | | |
| Cash received relating to other investing activities | 361,729 | 152,220 |
| Total cash inflows from investing activities | 3,770,615 | 3,308,145 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 738,930 | 1,016,973 |
| Cash paid to acquire investments | 1,427,396 | 3,438,151 |
| Net increase in pledged loans | | |
| Net cash paid for disposal of subsidiaries and other business units | | 14,447 |
| Cash paid relating to other investing activities | 774,921 | |
| Total cash outflows from investing activities | 2,941,247 | 4,469,571 |
| Net cash flows from investing activities | 829,368 | -1,161,426 |
| 3. Cash flows from financing activities: | | |
| Cash received from capital contributions | 11,520 | 14,900 |
| Inclusive: Cash received by subsidiaries from capital contributions by minority shareholders | 11,520 | 14,900 |
| Cash received from borrowings | 4,747,920 | 3,655,970 |
| Cash received from bonds | 1,499,190 | |
| Cash received relating to other financing activities | | 37,016 |
| Total cash inflows from financing activities | 6,258,630 | 3,707,886 |

| | | |
|--|------------|------------|
| Cash repayments of borrowings | 4,240,391 | 1,594,529 |
| Cash payments for distribution of dividends, profits or interest expenses | 515,409 | 591,596 |
| Inclusive: Cash payments for dividends or profits to minority shareholders by subsidiaries | 41,606 | 228,176 |
| Cash paid relating to other financing activities | 76,432 | 66,954 |
| Total cash outflows from financing activities | 4,832,232 | 2,253,079 |
| Net cash flows from financing activities | 1,426,398 | 1,454,807 |
| 4. Effects of foreign exchange rate changes on cash and cash equivalents | -3,239 | -79,979 |
| 5. Net increase in cash and cash equivalents | -4,679,711 | -9,017,543 |
| Add: Cash and cash equivalents at beginning of the period | 38,273,719 | 43,785,108 |
| 6. Cash and cash equivalents at end of the period | 33,594,008 | 34,767,565 |

Person-in-charge of the
Company:
WU Lei

Person-in-charge of
accounting:
ZHOU Zhiyan

Head of accounting
department:
LI Chuan

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

Shanghai, the PRC, 29 April 2024

As at the date of this announcement, the executive directors of the Company are Dr. WU Lei, Mr. LIU Ping and Mr. ZHU Zhaokai; the non-executive directors of the Company are 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 purpose only*