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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)**

## **SPECIAL EXPLANATIONS FOR NO PROFIT DISTRIBUTION PROPOSED FOR THE YEAR 2023**

On 28 March 2024, the board of directors (the "**Board**") of Shanghai Electric Group Company Limited (the "**Company**") announced that the Company proposed no distribution of profit or conversion of capital reserves into share capital for the year 2023. The profit distribution plan is still subject to the Company's 2023 annual general meeting.

### **I. Distributable profits of the Company for the year 2023**

As audited by PricewaterhouseCoopers Zhong Tian LLP, the net profit of the Company for the year 2023 as shown on the financial statements of the holding company prepared in accordance with the PRC Generally Accepted Accounting Principles was RMB283,994 thousand, the undistributed profits amounted to RMB-1,226,536 thousand at the beginning of 2023, and the distributable profits at the end of the period amounted to RMB-942,542 thousand.

### **II. Reasons for no profit distribution proposed for the year 2023**

In accordance with the relevant provisions under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the articles of association of the Company, the distribution of cash dividends by the Company shall be made on the conditions that the holding company makes a profit and records positive accumulated undistributed profits in that year. Given that the holding company of the Company recorded negative accumulated distributable profits at the end of 2023, it did not meet the conditions for the distribution of cash dividends.

### **III. Special explanations for the negative undistributed profits as shown on the financial statements of the holding company of the Company and the positive undistributed profits as shown on the consolidated financial statements**

The undistributed profits as at the end of the period as shown on the financial statements of the holding company of the Company amounted to RMB-942,542 thousand, and the undistributed profits as at the end of the period as shown on the consolidated financial statements amounted to RMB11,678,998 thousand. For 2023, the amount of cash dividends made by the subsidiaries of the Company to the holding company of the Company amounted to RMB1,141,400 thousand.

The Company will, be in strict accordance with relevant laws and regulations and the articles of association and other provisions, actively implement the profit distribution policy of the Company aiming to safeguard the interests of all shareholders, and meanwhile, continue to enhance its profitability and core competitiveness, so as to share the fruits of development with

investors.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board

**Shanghai Electric Group Company Limited**

**WU Lei**

*Chairman of the Board*

Shanghai, the PRC, 28 March 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*