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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 Third 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 nine months ended 30 September 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, Ms. FU Min, 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: '000' Currency: RMB¹

Particulars	the Reporting Period ²	Percentage of Year-on-Year Change in the Reporting Period (%)	From the Beginning of the Year to the End of the Reporting Period	Percentage of Year-on-Year Change from the Beginning of the Year to the End of the Reporting Period (%)
Total revenue	26,726,654	5.67	76,595,171	-2.27
Revenue	26,526,848	5.74	76,081,182	-2.39
Net profit attributable to shareholders of the Company	156,565	-32.20	758,309	-7.67
Net profit attributable to shareholders of the Company after excluding non-recurring profit or loss items	49,818	N/A	294,638	744.33
Net cash flow generated from operating activities	N/A	N/A	37,086	N/A
Basic earnings per share (RMB/share)	0.010	-32.43	0.049	-7.59
Diluted earnings per share (RMB/share)	0.010	-32.43	0.049	-7.59
Return on net assets on a weighted average basis (%)	0.29	A decrease of 0.14 percentage point	1.43	A decrease of 0.09 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	290,140,126	283,266,567	2.43	
Net assets attributable to shareholders of the Company	53,551,829	52,797,888	1.43	

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	From the Beginning of the Year to the End of the Reporting Period
Profit or loss on disposal of non-current assets, including elimination of provision for impairment of assets	-5,870	-973
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	91,348	259,914
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	11,539	-2,360
Reversal of provision for impairment of receivables tested for impairment on an individual basis	43,642	335,303
Non-operating income and expenses other than aforesaid items	12,244	57,658
Other items that meet the definition of non-recurring profit and loss		50,072
Less: Effect of income tax	28,856	133,029
Effect of minority interests (net of tax)	17,300	102,914
Total	106,747	463,671

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 (from 1 July 2024 to 30 September 2024)	-32.20	During the Reporting Period, the Company focused on its core responsibilities and main
Net profit attributable to shareholders	-7.67	

of the Company (from 1 January 2024 to 30 September 2024)		businesses, and its non-recurring profit decreased compared with the same period of previous year, resulting in a decrease in net profit attributable to shareholders of the Company. At the same time, during the Reporting Period, the gross profit and gross margin increased compared with the same period of previous year, resulting in an increase of net profit after excluding non-recurring profit or loss items compared with the same period of previous year.
Net profit attributable to shareholders of the Company after excluding non-recurring profit or loss items (from 1 July 2024 to 30 September 2024)	N/A	
Net profit attributable to shareholders of the Company after excluding non-recurring profit or loss items (from 1 January 2024 to 30 September 2024)	744.33	
Basic earnings per share (RMB/share) (from 1 July 2024 to 30 September 2024)	-32.43	
Basic earnings per share (RMB/share) (from 1 January 2024 to 30 September 2024)	-7.59	
Diluted earnings per share (RMB/share) (from 1 July 2024 to 30 September 2024)	-32.43	
Diluted earnings per share (RMB/share) (from 1 January 2024 to 30 September 2024)	-7.59	
Net cash flow generated from operating activities (from 1 July 2024 to 30 September 2024)	N/A	
Net cash flow generated from operating activities (from 1 January 2024 to 30 September 2024)	N/A	

FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED BALANCE SHEET

As at 30 September 2024

Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

Particulars	As at 30 September 2024	As at 31 December 2023
Current assets:		
Cash at bank and on hand	35,490,279	30,164,902
Clearing settlement funds	2,899	5,804
Placements to banks and other financial institutions	17,089,334	18,054,967
Financial assets held for trading	7,759,936	7,492,363
Derivative financial assets	18,431	12,798
Notes receivable	3,337,338	3,995,445
Accounts receivable	38,961,337	40,477,926
Receivables financing	509,571	1,354,944
Prepayments	10,422,928	9,511,724
Premium receivable		
Amounts due from reinsurers		
Reinsurance contract reserve receivable		
Other receivables	6,076,592	5,984,167
Inclusive: Interest receivable	207,814	142,946
Dividends receivable	155,391	68,778
Financial assets purchased under resale agreements	998,050	1,135,620
Inventories	37,606,582	32,423,705
Inclusive: Data resources		
Contract assets	21,645,045	21,913,397
Assets held for sale		
Current portion of non-current assets	1,704,341	1,976,785
Other current assets	12,145,716	17,322,171
Total current assets	193,768,379	191,826,718
Non-current assets:		
Loans and advances	11,236,176	7,370,067
Debt investments	153,466	152,570
Other debt investments		
Long-term receivables	2,946,439	3,067,193
Long-term equity investments	11,002,140	11,001,371
Other equity instrument investments		
Other non-current financial assets	7,027,844	7,339,112

Investment properties	519,276	608,798
Fixed assets	20,515,832	20,427,312
Constructions in progress	3,052,736	1,934,072
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	1,546,750	1,410,284
Intangible assets	12,044,219	12,256,813
Inclusive: Data resources		
Development expenditures	28,575	31,661
Inclusive: Data resources		
Goodwill	3,238,095	3,244,929
Long-term prepaid expenses	458,126	504,145
Deferred tax assets	8,331,862	8,300,768
Other non-current assets	14,270,211	13,790,754
Total non-current assets	96,371,747	91,439,849
Total assets	290,140,126	283,266,567
Current liabilities:		
Short-term borrowings	9,959,092	8,272,416
Borrowings from central banks		
Placements from banks and other financial institutions		
Financial liabilities held for trading	25,760	34,435
Derivative financial liabilities	12,199	3,425
Notes payable	14,540,793	12,074,199
Accounts payable	58,271,127	59,610,479
Advances from customers	793,173	859,959
Contract liabilities	52,313,774	44,207,113
Financial assets sold under repurchase agreement		1,000,000.00
Deposits from customers, banks and other financial institutions	5,344,658	7,270,530
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Employee benefits payable	4,231,415	5,381,579
Taxes payable	1,632,653	2,466,028
Other payables	8,888,564	8,144,533
Inclusive : Interest payable	338,500	304,179
Dividends payable	713,311	165,521
Fee and commissions payable		
Amounts due to reinsurer		
Liabilities held for sale		
Current portion of non-current liabilities	8,046,890	6,898,720

Other current liabilities	12,966,821	11,501,165
Total current liabilities	177,026,919	167,724,581
Non-current liabilities:		
Reserve of insurance contracts		
Long-term borrowings	28,904,900	30,893,868
Bonds payable		749,300
Inclusive: Preferred shares		
Perpetual bond		
Lease liabilities	1,372,475	1,150,996
Long-term payables	454,711	561,953
Long-term employee benefits payable	178,436	187,568
Provisions	2,411,701	3,028,758
Deferred income	1,203,792	1,333,337
Deferred tax liabilities	669,912	614,502
Other non-current liabilities	27,924	95,064
Total non-current liabilities	35,223,851	38,615,346
Total liabilities	212,250,770	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	19,489,840	19,476,900
Less: Treasury stocks		
Other comprehensive income	6,232	21,601
Special reserve	137,672	134,056
Surplus reserve	5,906,524	5,906,524
General provisions		
Retained earnings	12,431,752	11,678,998
Equity attributable to owners (or shareholders) of the Company	53,551,829	52,797,888
Non-controlling interests	24,337,527	24,128,752
Total equity	77,889,356	76,926,640
Total equity and liabilities	290,140,126	283,266,567

Person-in-charge of the
Company:
WU Lei

Person-in-charge of
accounting:
FU Min

Head of accounting
department:
LI Chuan

UNAUDITED CONSOLIDATED INCOME STATEMENT

From 1 January 2024 to 30 September 2024

Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

Particulars	For the period from 1 January 2024 to 30 September 2024	For the period from 1 January 2023 to 30 September 2023
1. Total revenue	76,595,171	78,371,349
Inclusive: Revenue	76,081,182	77,947,038
Interest income	512,158	422,513
Premium earned		
Fee and commission income	1,831	1,798
2. Total operating cost	73,830,854	76,466,863
Inclusive: Operating cost	61,888,515	64,385,805
Interest costs	71,016	63,181
Fee and commission expenses	602	516
Cash surrender value		
Claim settlement expenses, net		
Net provision for insurance contracts		
Policy dividend expense		
Reinsurance expenses		
Business taxes and surcharges	424,500	480,027
Selling and distribution expenses	2,045,911	2,105,278
General and administrative expenses	5,229,134	5,143,996
Research and development expenses	3,692,774	3,574,916
Financial expenses	478,402	713,144
Inclusive: Interest expenses	1,310,586	1,228,704
Interest income	803,200	481,365
Add: Other income	833,657	597,493
Investment income (losses are denoted by "-")	1,382,454	1,563,357
Inclusive: Income from investment in associates and joint ventures	788,571	730,693
Income from derecognition of financial assets measured at amortised cost		
Exchange gains (losses are denoted by "-")	3,196	9,647
Net exposure hedging gains (losses are denoted by "-")		

Gains or losses on changes in fair value (losses are denoted by “-”)	-339,976	53,775
Credit impairment losses (losses are denoted by “-”)	-893,000	-897,417
Asset impairment losses (losses are denoted by “-”)	-363,895	-622,596
Gains on disposal of assets (losses are denoted by “-”)	-973	342,698
3. Operating profit (losses are denoted by “-”)	3,385,780	2,951,443
Add: Non-operating income	91,099	75,933
Less: Non-operating expenses	33,441	96,512
4. Total profit (total losses are denoted by “-”)	3,443,438	2,930,864
Less: Income tax expenses	881,806	513,346
5. Net profit (net losses are denoted by “-”)	2,561,632	2,417,518
(A) Classified by continuity of operations		
(1) Net profit from continuing operations (net losses are denoted by “-”)	2,561,632	2,417,518
(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 “-”)	758,309	821,268
(2) minority interests (net losses are denoted by “-”)	1,803,323	1,596,250
6. Other comprehensive income, net of tax	-16,662	95,957
(A) Other comprehensive income, net of tax, attributable to shareholders of the parent company	-15,369	89,687
(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	-15,369	89,687
(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	1,127	54,362
(c) Other comprehensive income due to reclassification of financial assets		
(d) Provision for credit impairment of other debt investments	-1,035	-11,029
(e) Cash flow hedging reserves	-205	-1,741
(f) Differences on translation of foreign currency financial statements	-15,256	48,095
(g) Others		
(B) Other comprehensive income, net of tax, attributable to minority shareholders	-1,293	6,270
7. Total comprehensive income	2,544,970	2,513,475
(A) Attributable to shareholders of the parent company	742,940	910,955
(B) Attributable to minority shareholders	1,802,030	1,602,520
8. Earnings per share:		
(A) Basic earnings per share (RMB/share)	0.049	0.053
(B) Diluted earnings per share (RMB/share)	0.049	0.053

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:
FU Min

Head of accounting
department:
LI Chuan

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

From 1 January 2024 to 30 September 2024

Prepared by: Shanghai Electric Group Company Limited

Unit: '000 Currency: RMB

Particulars	For the period from 1 January 2024 to 30 September 2024	For the period from 1 January 2023 to 30 September 2023
1. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	91,283,786	85,014,223
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	448,519	722,740
Cash received relating to other operating activities	3,234,195	3,485,400
Total cash inflows from operating activities	94,966,500	89,222,363
Cash paid for goods and services	68,888,334	69,429,417
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	9,501,584	9,373,629
Payments of taxes and surcharges	3,596,247	3,756,052
Cash paid relating to other operating activities	12,943,249	10,822,739
Total cash outflows from operating activities	94,929,414	93,381,837
Net cash flows from operating activities	37,086	-4,159,474
2. Cash flows from investing activities:		
Cash received from disposal of investments	10,586,768	10,196,512
Cash received from returns on investments	1,305,248	1,413,161
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	308,977	258,017
Net cash received from disposal of subsidiaries and other business units		709,853
Cash received relating to other investing activities		
Total cash inflows from investing activities	12,200,993	12,577,543
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,485,196	2,588,307
Cash paid to acquire investments	4,905,946	8,033,735
Net increase in pledged loans		
Net cash paid for disposal of subsidiaries and other business units	9,940	
Cash paid relating to other investing activities	4,740,704	2,163,924
Total cash outflows from investing activities	12,141,786	12,785,966
Net cash flows from investing activities	59,207	-208,423
3. Cash flows from financing activities:		
Cash received from capital contributions	171,220	174,465
Inclusive: Cash received by subsidiaries from capital contributions by minority shareholders	171,220	174,465
Cash received from borrowings	16,936,886	19,837,136
Cash received from bonds	1,500,000	2,000,000
Cash received relating to other financing activities		39,529
Total cash inflows from financing activities	18,608,106	22,051,130

Cash repayments of borrowings	16,292,365	10,948,325
Cash payments for distribution of dividends, profits or interest expenses	2,339,326	2,465,684
Inclusive: Cash payments for dividends or profits to minority shareholders by subsidiaries	1,019,596	1,373,887
Cash paid relating to other financing activities	394,210	14,609,526
Total cash outflows from financing activities	19,025,901	28,023,535
Net cash flows from financing activities	-417,795	-5,972,405
4. Effects of foreign exchange rate changes on cash and cash equivalents	-59,457	141,394
5. Net increase in cash and cash equivalents	-380,959	-10,198,908
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	37,892,760	33,586,200

Person-in-charge of the
Company:
WU Lei

Person-in-charge of
accounting:
FU Min

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, 30 October 2024

As at the date of this announcement, the executive directors of the Company are Dr. WU Lei, Mr. ZHU Zhaokai and Mr. DONG Jianhua; 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. XU Jianxin, Dr. LIU Yunhong and Dr. DU Zhaohui.

** For identification purpose only*