

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR 2021

SHANGHAI ELECTRIC GROUP COMPANY LIMITED



(STOCK CODE: 601727.SH / 02727. HK)

April 2022

Cautionary Statement

We have included in this prospectus forward-looking statements. Statements that are not historical facts, including statements about our opinions and expectations, are forward-looking statements. In this prospectus, any statements explaining our intentions, opinions, expectations or predictions (and assumption estimates supporting these statements), are all forward-looking statements. These statements are based on the plans, estimations and predictions grasped by the management of Shanghai Electric currently. Therefore, forward-looking statements only states that we have no obligation to publicly update any of such statements according to new information or a future time as at such statements are made.

In nature, forward-looking statements are subject to risks and uncertainties. Therefore, so many important factors may cause a considerable difference between the actual situation and contents contained in any of these forward-looking statements.

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Chapter 01

Operating Results for the Year 2021

Key Operating Results

	2021	2020	Percentage of change
(In million RMB unless otherwise indicated)			
Revenue	131,388	137,285	-4.3%
Gross profit	19,801	23,007	-13.9%
Operating profit	-10,838	6,063	N/A
Net profit attributable to owners of the Company	-9,988	3,758	N/A
Gross profit ratio	15.1%	16.8%	-1.7 percentage points
Operating profit ratio	-8.3%	4.4%	-12.7 percentage points
Net profit ratio attributable to owners of the Company	-7.6%	2.7%	-10.3 percentage points
Return on net assets ⁽¹⁾	-15.7%	5.8%	-21.5 percentage points
Earnings per share (RMB yuan)	-0.64	0.25	N/A
Proposed dividends per share (RMB cents)	-	7.178	N/A

Note: (1) Return on net assets refers to the weighted average return on net assets.

Items of Balance Sheet

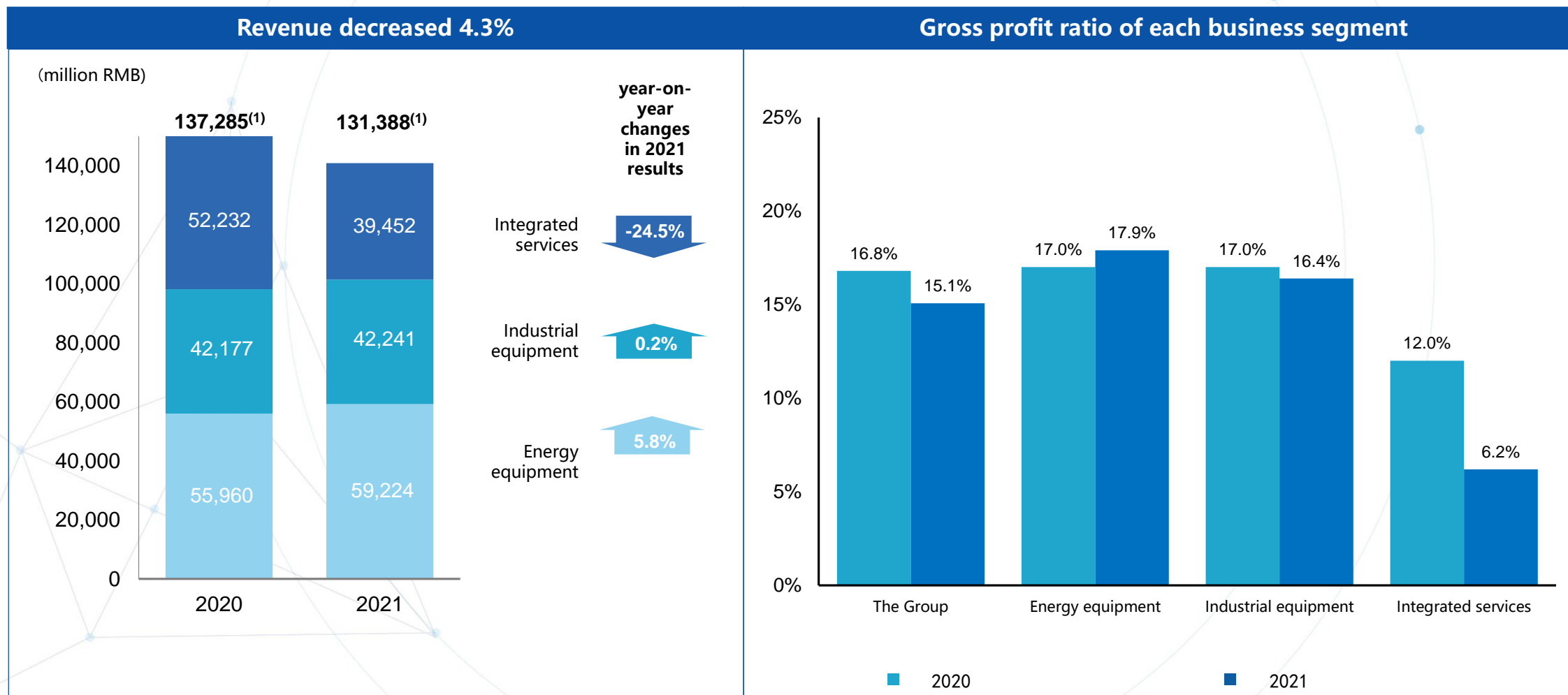
	31 December 2021	31 December 2020	Percentage of change
(In million RMB unless otherwise indicated)			
Assets	300,802	315,403	-4.6%
Current assets	209,776	227,946	-8.0%
Cash at bank and on hand, clearing settlement funds, placements with banks and other financial institutions ⁽¹⁾	54,377	60,869	-10.7%
Trade receivables	33,429	32,799	1.9%
Prepayments	13,424	18,057	-25.7%
Non-current assets	91,026	87,457	4.1%
Liabilities	202,658	208,553	-2.8%
Current liabilities	168,879	183,492	-8.0%
Short-term borrowings	11,836	15,627	-24.3%
Trade payables	61,304	65,853	-6.9%
Non-current liabilities	33,778	25,061	34.8%
Long-term borrowings	23,845	15,408	54.8%
Interest of shareholders	98,144	106,849	-8.2%
Attributable to shareholders of the Company	58,134	66,401	-12.5%

Note: (1) clearing settlement funds, placements with banks and other financial institutions refer to the amounts arising from deposits with banks and advance to customers in the balance sheet of financial enterprises established in accordance with the PRC Accounting Standards for Business Enterprises.

Chapter 02

Operating Results for Business Segments

Changes in Revenue and Gross Profit Ratio of Business Segments

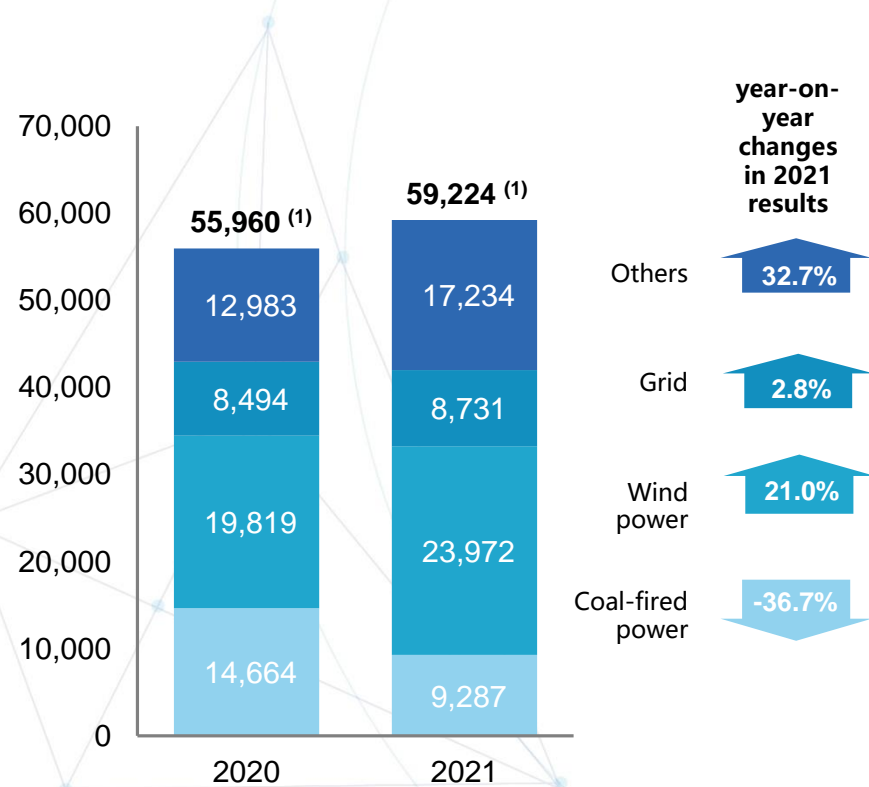


Note: (1) the amount of the consolidated revenue of the Group is the net amount having conducted written-off adjustments between segments, the revenue data of each segment have not conducted written-off adjustment between segments, but have conducted written-off adjustment between segments

Energy Equipment

Revenue increased 5.8%

(million RMB)



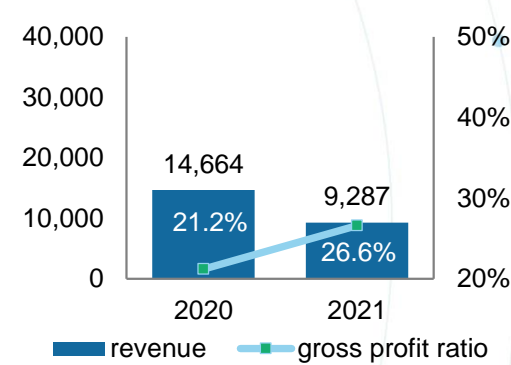
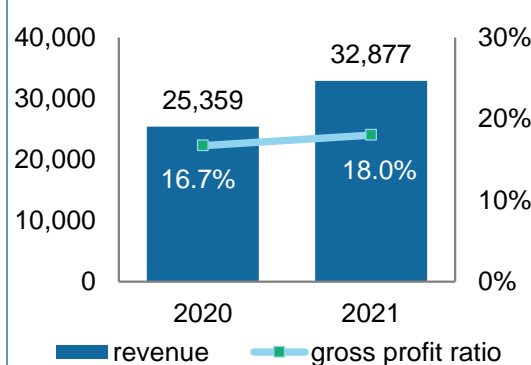
Segment highlights

Revenue from new energy equipment (wind power, energy storage, nuclear power)

revenue from Coal-fired power equipment generation

main business transformation

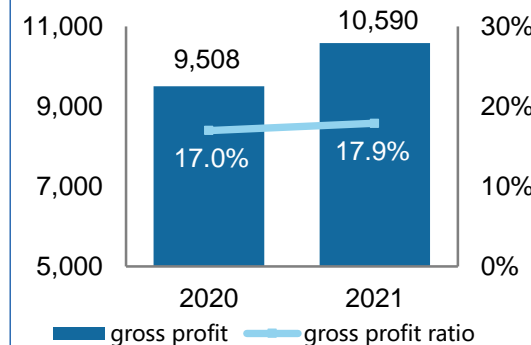
(million RMB)



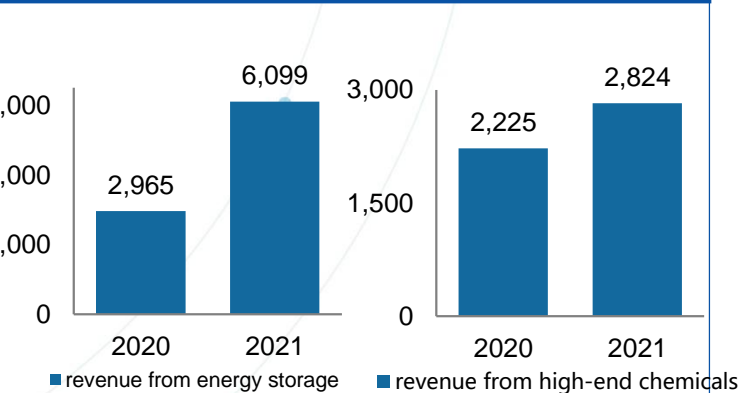
The operating revenue from new energy equipment is **3.5 times** that of the operating revenue of coal-fired equipment

Gross profit of the segment

(million RMB)



Rapid growth from certain businesses

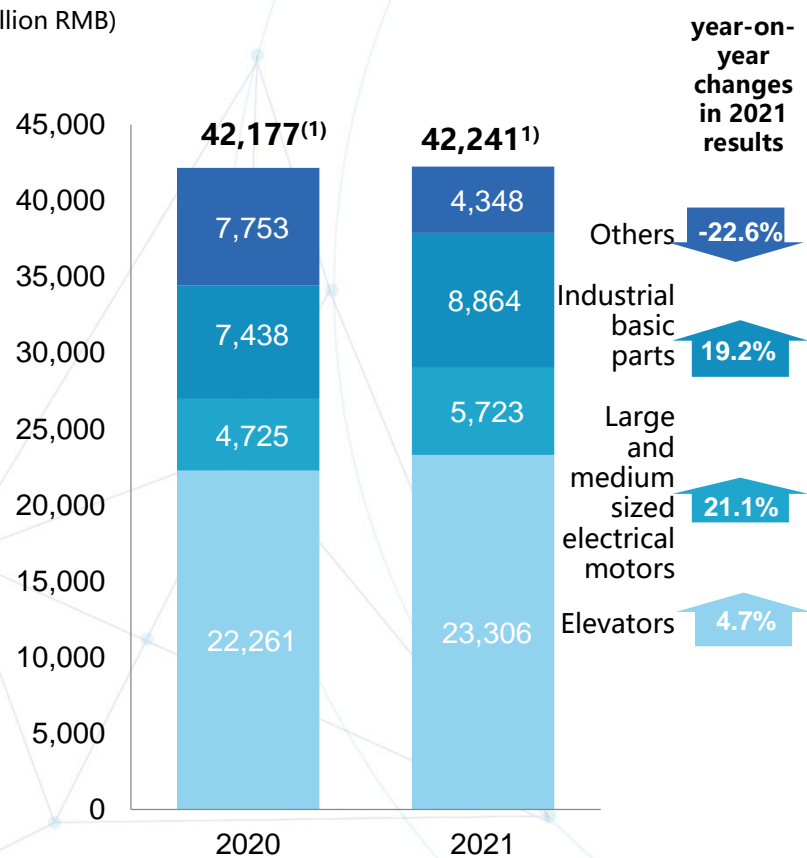


Note: (1) the segment revenue data have not conducted written-off between segments, but have conducted written-off adjustments within segments

Industrial Equipment

Revenue increased 0.2%

(million RMB)



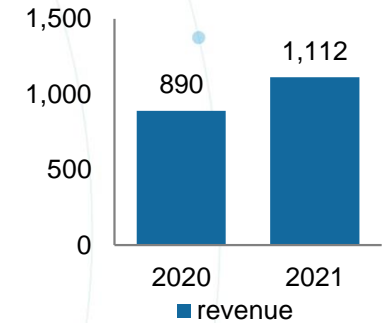
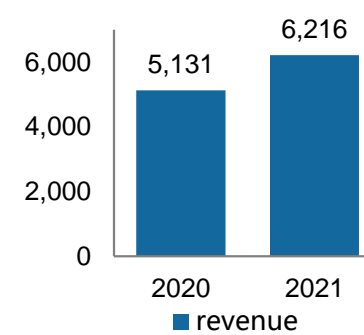
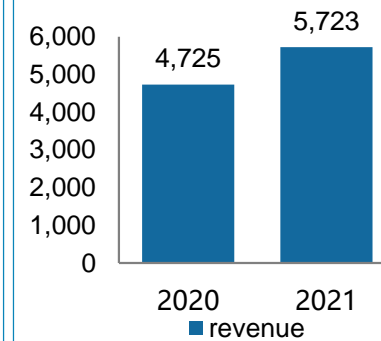
Segment highlights

revenue from large and medium sized electrical motors

revenue from fastener business

revenue from blade business

(million RMB)

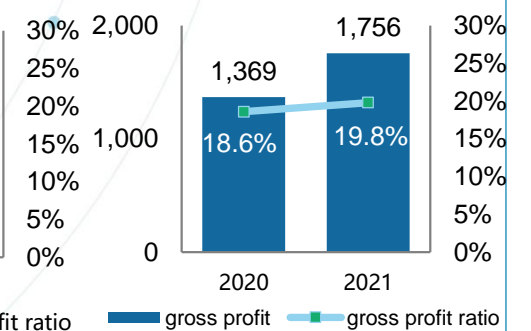
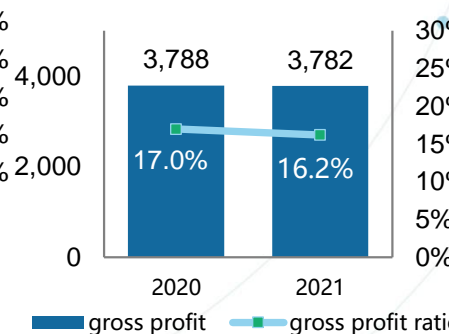
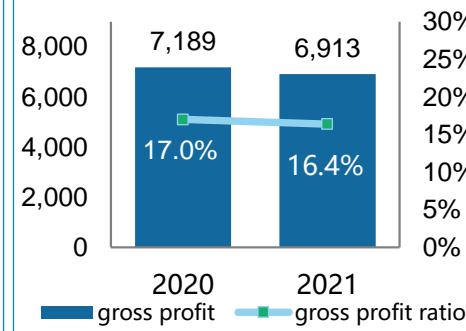


Segment gross profit

Gross profit of elevators

Gross profit of industrial basic parts

(million RMB)

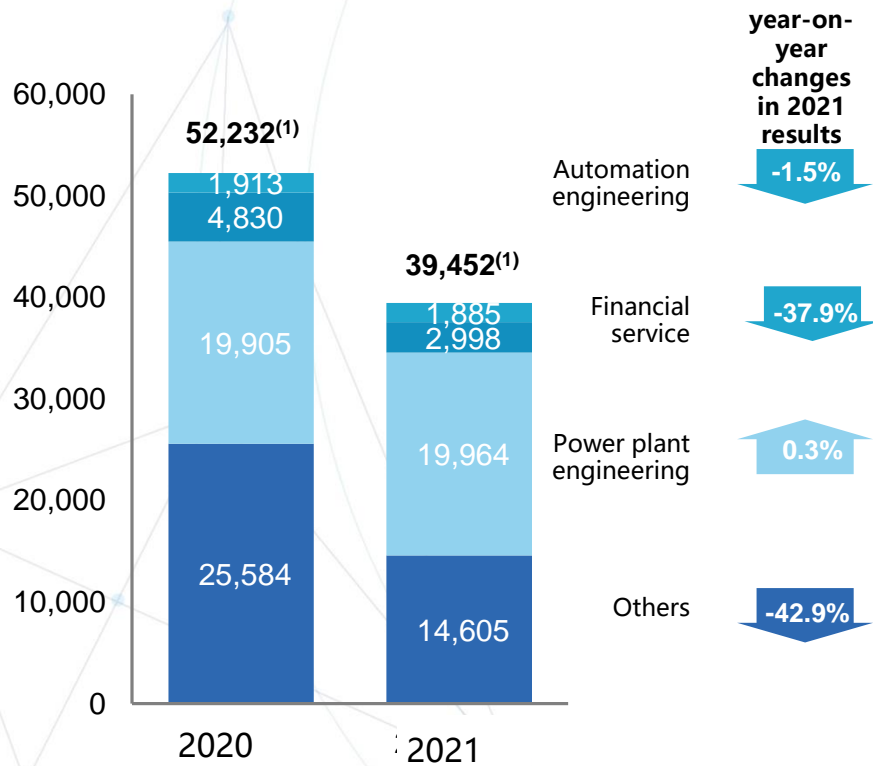


Note: (1) the segment revenue data have not conducted written-off between segments, but have conducted written-off adjustments within segments

Integrated Services

Revenue decreased 24.5%

(million RMB)



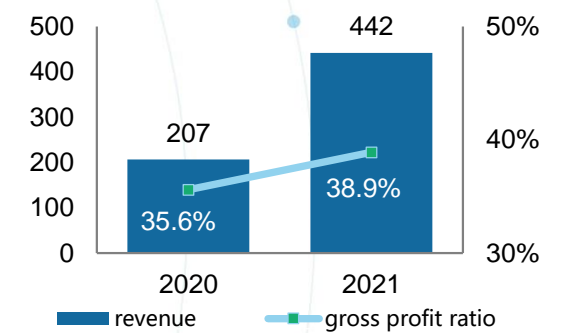
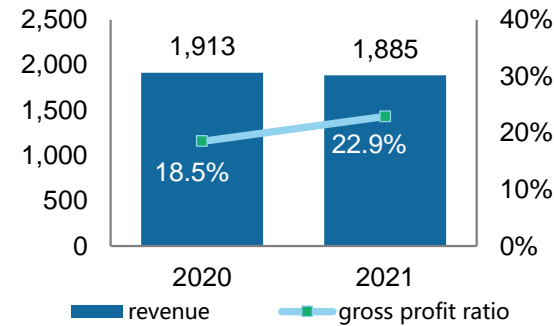
Segment highlights

Revenue and gross profit ratio from automation engineering

Revenue and gross profit ratio from industrial internet

(million RMB)

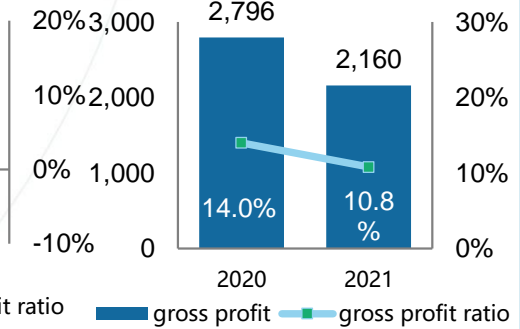
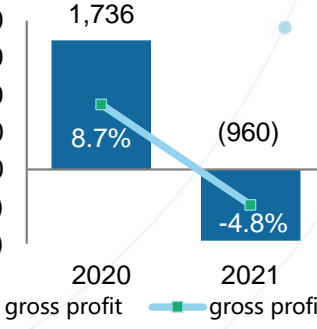
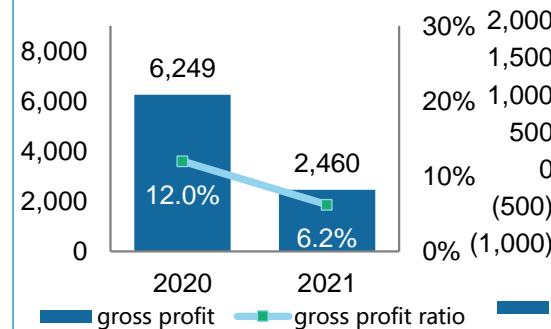
((million RMB))



Segment gross profit

Gross profit from power plant engineering business

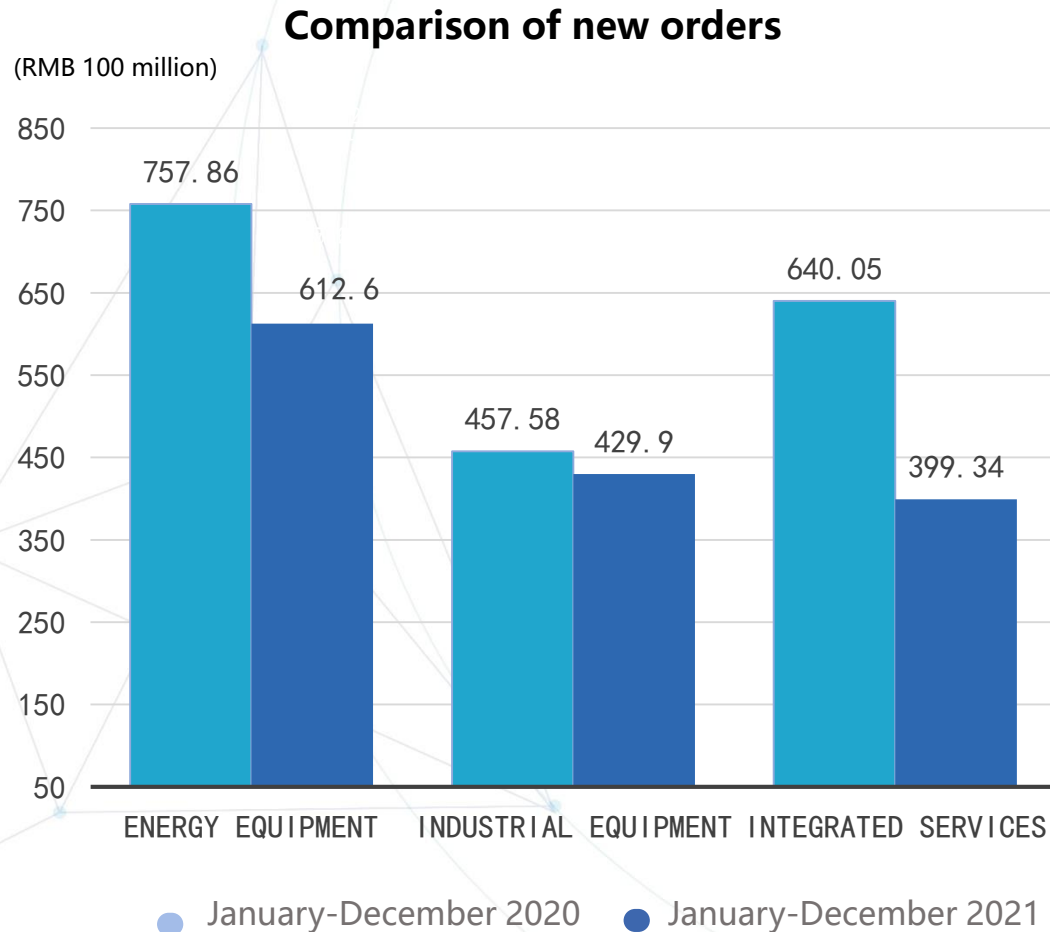
Gross profit from power plant engineering business (Net of Dubai single project loss)



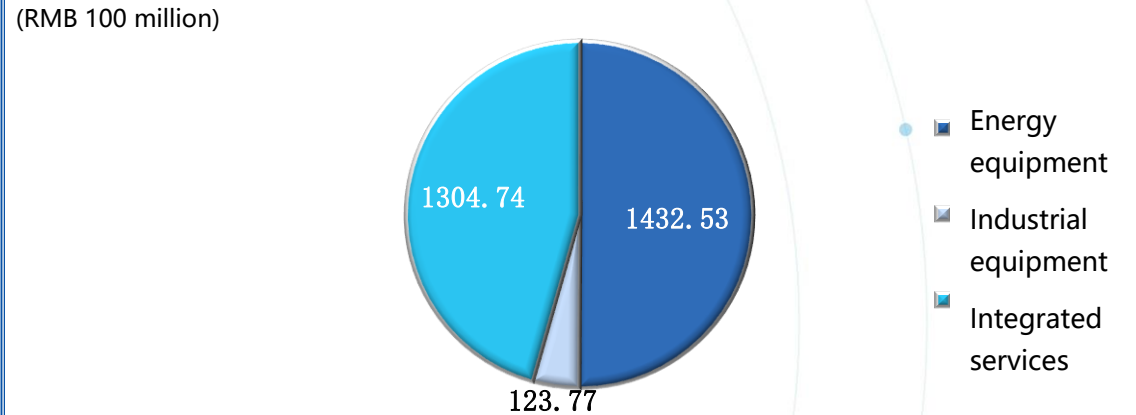
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Business Orders

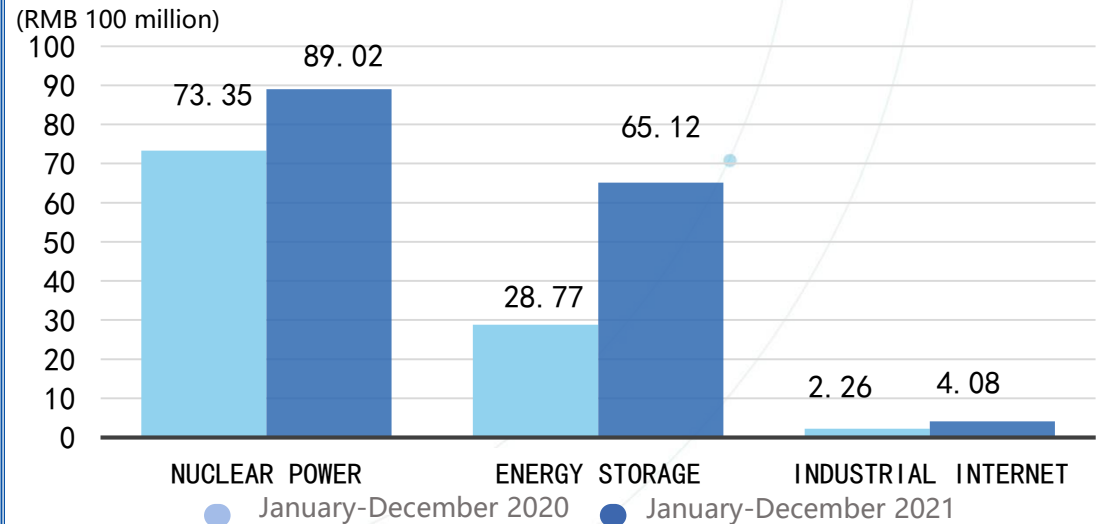
New orders of RMB144,180 million, down 22.3% YoY



Orders on hand of RMB286,104 million (of which: RMB95,303 million in pending orders)



Comparison of new orders from certain businesses



Chapter 03

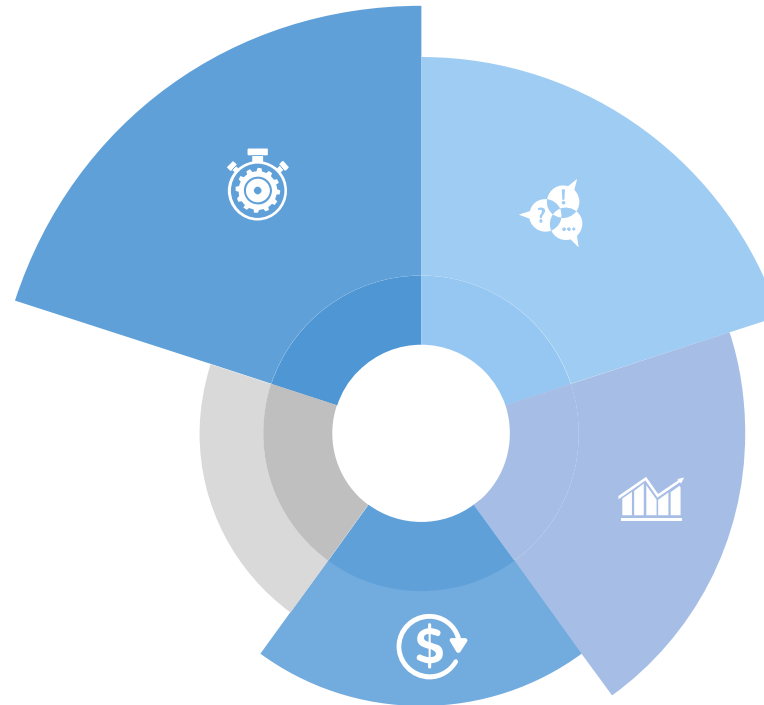
“Dual-Carbon” Strategic Implementation Path

Dovetailing with Strategy of “Carbon Peaking and Carbon Neutrality” and Exploring Three Paths



Path 1: energy alternative

- New energy: vigorously carrying out the technical innovation and industrial deployment in “wind energy, photovoltaic power, energy storage, hydrogen energy and grid” , and establishing a new power system focusing on new energy
- Traditional coal power: providing continuously rewrote the lowest coal consumption index in the world, and contributing to the realization of "safe carbon emission reduction" goal



Path 1: energy efficiency

Increase

- Driving business: relying on the advantages of core equipment to provide systematic energy efficiency improvements for power and metallurgical industries
- Rail transit: greatly improving the efficiency of use of rail transit
- Smart building: smart elevator energy feedback device reduces the “carbon footprint” in each rise and fall
- Intelligent factory: exploring industrial scenario solutions that integrate manufacturing and digital technology

Path 3: resource utilization

- Effectively combining carbon dioxide capture technology with green hydrogen energy, and actively promoting the implementation of demonstration projects such as carbon dioxide and green hydrogen synthetic methanol

Energy Alternative - Leader of New Energy Equipment

Nuclear power

Deeply participated in the construction of major national science and technology projects such as fast reactors, "Guohe One" and fourth-generation nuclear power, as well as the research and development of core equipment for various reactor types of fourth-generation nuclear power, including thorium molten salt reactors, fast reactors and high temperature gas-cooled reactors

Energy storage

Developed 100Ah lithium iron phosphate battery for energy storage, with a cycle life of 8,000 times to meet energy storage requirements

Wind power

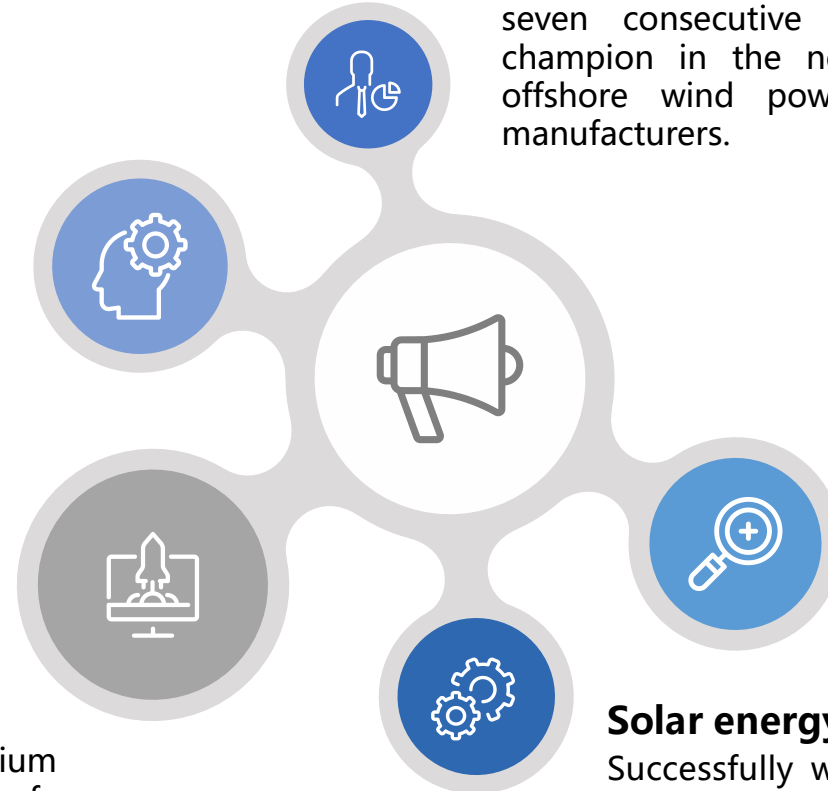
Ranked first in terms of newly installed capacity of offshore wind power installations in China for seven consecutive years, and became the champion in the newly installed capacity of offshore wind power of global equipment manufacturers.

Hydrogen energy

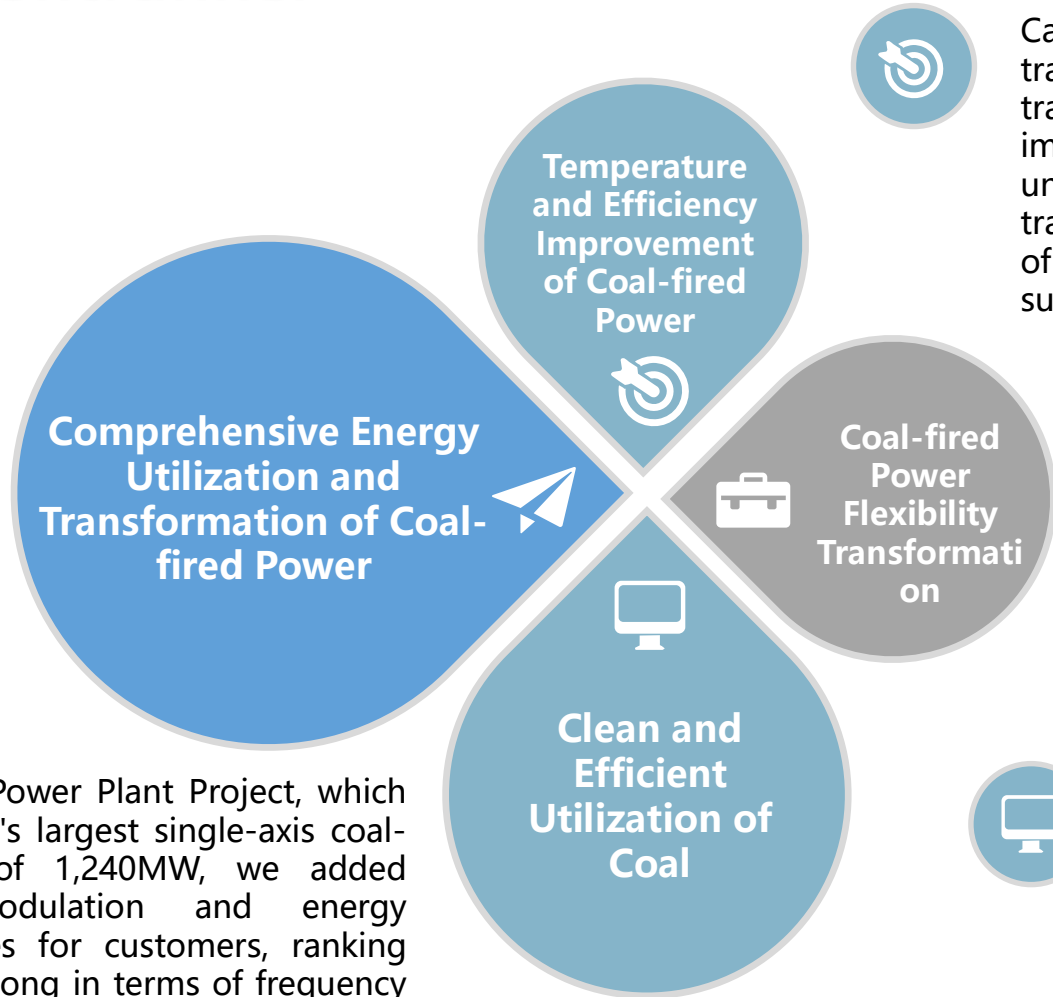
Built a demonstration platform for the verification and application of PEM hydrogen production project, to realize the comprehensive intelligent energy utilization of "renewable energy generation + hydrogen production + hydrogen storage + fuel cell distributed power generation"

Solar energy

Successfully won the turnkey project for the world's largest solar park in Dubai, Phase IV and Phase V of the photothermal photovoltaic power station



Energy Alternative - Efficient and Low-carbon "Frontrunner"



Carrying out the design of 300MW and 600MW transformation plan based on the technical transformation of temperature and efficiency improvement of high-temperature subcritical units, and realizing the comprehensive transformation and demonstration application of temperature and efficiency improvement of subcritical units of 600MW

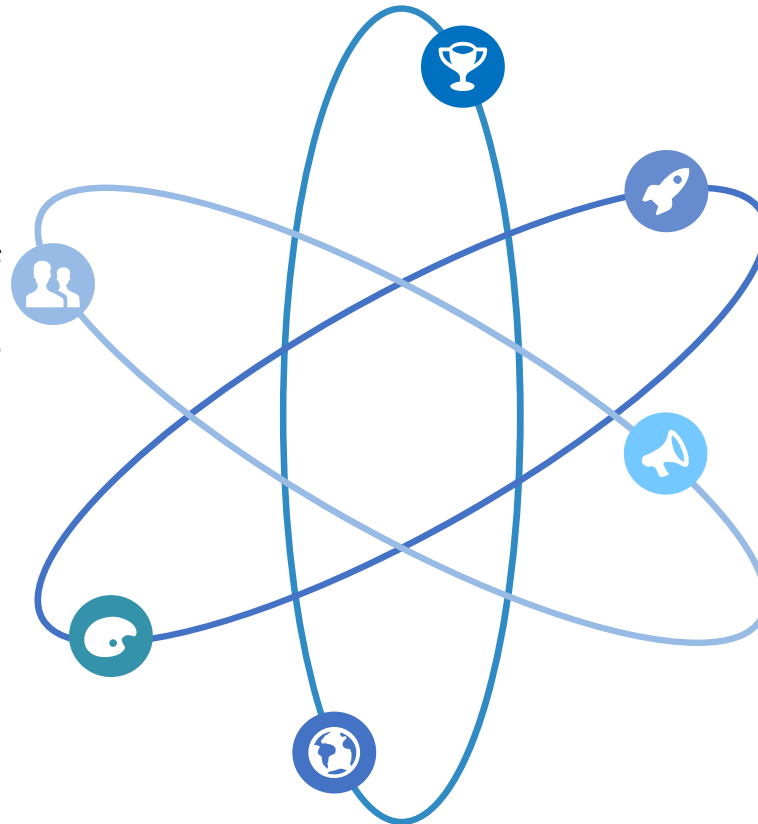
Joining hands with Shenergy Group to create the "Shanghai Solution", and jointly establishing Shendian Green Power Technology Company to seize the opportunity of upgrading and transforming existing units

The Unit 4 of Huaneng Ruijin Power Plant with main equipment provided by Shanghai Electric completed the 168-hour commissioning, creating a world record of 249.7g/Kwh coal consumption for power generation

In the Yangxi Power Plant Project, which provides world's largest single-axis coal-fired power of 1,240MW, we added frequency modulation and energy storage devices for customers, ranking first in Guangdong in terms of frequency modulation performance, and the return on investment for owners exceeded expectations

Energy Efficiency Increase - "Practitioner" of Intelligent Manufacturing

- **Urban governance solutions** - "one screen to view the world, one network to manage the whole city" builds a "low-carbon brain for cities", targeting the "real-time dynamics and full visibility" of the carbon flow of urban production and life, providing a powerful means for energy efficiency control, monitoring and reducing carbon emissions
- **Intelligent maintenance system solutions for rail transit**- Shanghai Line 5 provides integrated intelligent operation and maintenance services and other intelligent applications



- **Smart building** - Shanghai Mitsubishi takes the energy saving and consumption reduction of elevator and the improvement of operational efficiency as the technical bases, and the use of energy feedback technology has reduced the energy consumption of elevator by 30%
- **Intelligent factory** - all key processes in Shantou Offshore Wind Power Intelligent Manufacturing Base are flexibly and automatically produced by intelligent robots, realizing an efficient linkage of "people, machine, material, method, environment" through the application of "IT + OT"

Energy Efficiency Increase - “Promoter” of Technological Innovation



Technological Innovation

◆ A main helium blower and steam turbine for the first fourth-generation high-temperature gas-cooled reactor nuclear power demonstration project in China were developed. During the reporting period, the Unit 1 #of the project’ s nuclear power station was connected to the grid

◆ China’ s first ultra-large offshore wind turbine with a capacity of 11 MW or above rolled off the production line, with blades exceeding 100 metres, achieving reliability through innovative technologies, and significantly reducing unit costs

◆ Completed the research and development of the world’ s first high-power wet winding motor main pump prototype, with the technical performance reaching the international leading level, and completed the ex-factory test of the product during the reporting period

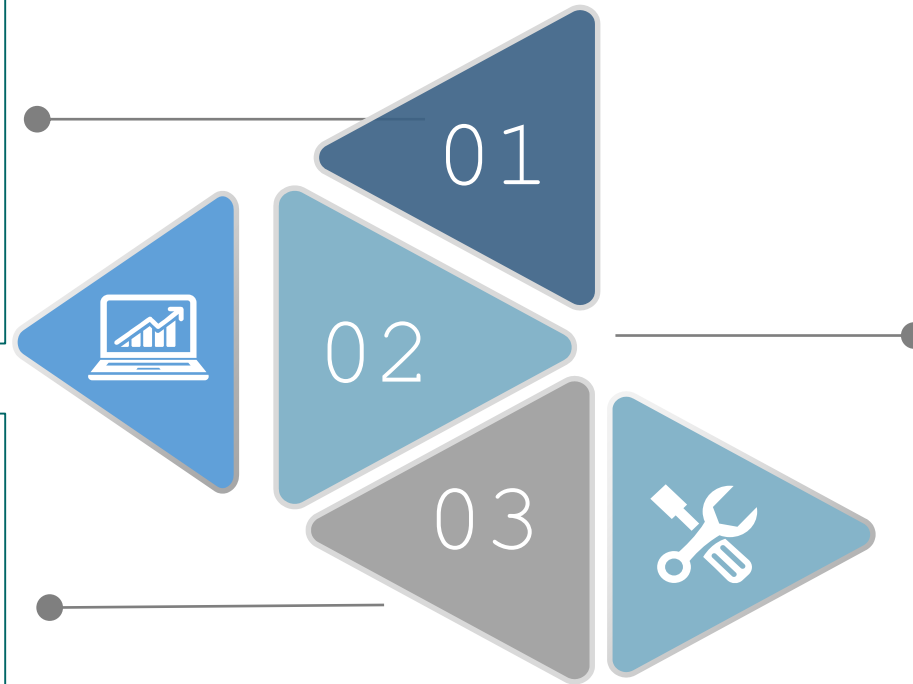
◆ The research and development of high-speed 10m/s high-speed elevator with complete independent intellectual property rights not only expanded the market coverage of high-speed elevator, but also enhanced the Company’ s competitiveness in the ultra-high-speed elevator market

Resource Utilization——“Forerunner” in Carbon Capture and Utilization



We give full play to our strengths in multi-industry fields such as power, petrochemicals and metallurgy and rely upon the system solutions such as carbon dioxide capture and green hydrogen synthetic methanol and ammonia synthesis, to promote the recycling of energy resources

We have also made significant technological breakthroughs in the field of supercritical carbon dioxide power generation. The first highly efficient and compact supercritical carbon dioxide compressor-turbine integrated generating set in China which is developed by us independently has successfully generated electricity, and its technical capability has reached the internationally advanced level



We continuously build domestic iconic projects. The ongoing Zhejiang Jiahua large-scale carbon capture and comprehensive utilization project will have a capacity of capturing 200,000 tons/year of carbon dioxide, and will be complemented by a demonstration project of synthesizing 130,000 tons/year of methanol with hydrogen in the park

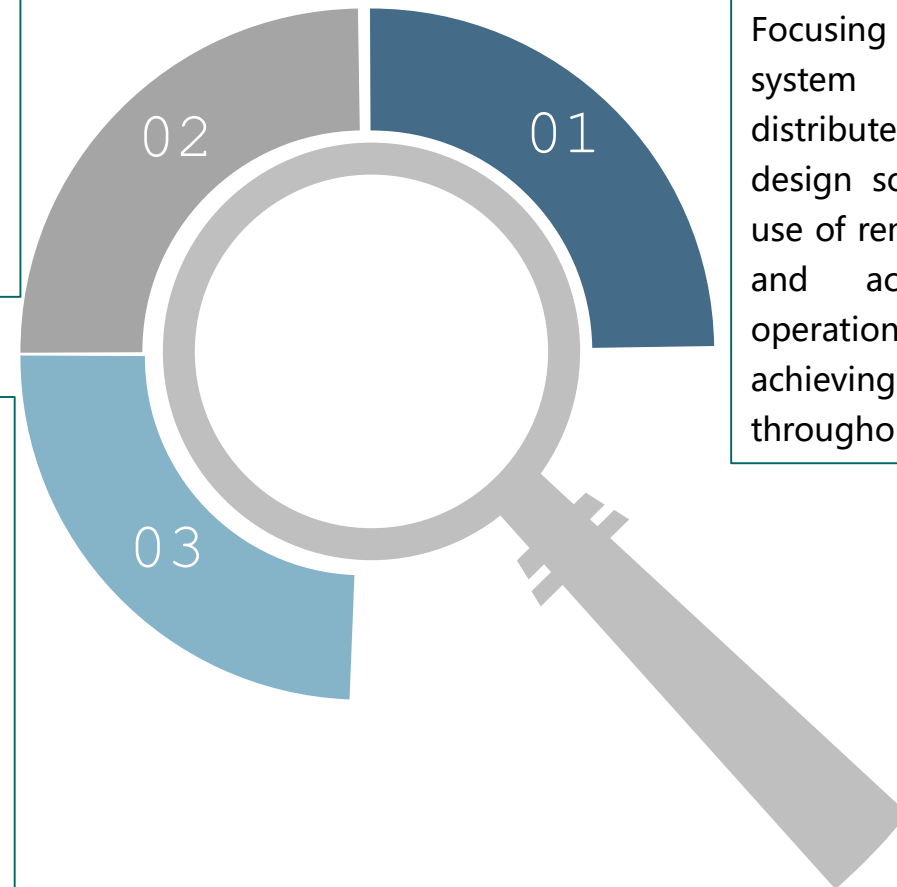
Resource Utilization—— “Pioneer” in System Integration

Smart Infrastructure

Launching 10 system solutions, including "intelligent buildings , comprehensive water environment treatment, green data centres , intelligent maintenance of rail transit and urban medium capacity transportation, etc " .

Smart Manufacturing

By building the “SEunicloud” industrial internet platform, the supply chain, manufacturing chain and service chain are integrated together to achieve "integrated procurement and sales, customer and business integration, real-time dynamics and full visibility", providing means of implementation for energy efficiency control, improving the efficiency of the entire manufacturing process, monitoring and reducing carbon emissions.



Smart Energy

Focusing on "integrated energy system solutions", using distributed energy planning and design software to maximise the use of renewable energy resources and achieve efficient 7*24 operation and management, thus achieving carbon reduction throughout the life cycle.

Looking Forward to the 14th Five-Year Plan Planning for New Race Track



4 New energy



1 Automation



X

Hard and Core
Technology

Wind Power Equipment

Photovoltaic Cell

Energy Storage Battery

Hydrogen Energy Equipment

Automation Equipment
and System
Industry Software

Offshore Floating Wind Turbines

Industry Gas Turbine

Advanced Nuclear System

New Energy Storage Technology

Aerospace Bearings,
Blades and Fasteners

.....

能动全球工业
Empower
global industry



智创美好生活
Make life
smarter

THANK YOU

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