



Announcement of 2023 Annual Results

Shanghai Electric Group Company Limited

(Stock Code: SH601727 HK02727)

上海电气集团股份有限公司

May 2024

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Chapter 01

2023 Annual Operation Results



Principal Operation Results

	January to December 2023	January to December 2022	Change %
(All amounts are in RMB Million unless otherwise stated)			
Total revenue	114,797	117,623	-2.4%
Gross profit	21,593	19,038	13.4%
Operating profit	3,355	-2,024	N/A
Net profit	2,155	-2,313	N/A
Net profit attributable to equity owners of the Company	285	-3,566	N/A
Gross profit margin	18.8%	16.2%	Increased by 2.6 percentage points
Operating profit margin	2.9%	-1.7%	Increased by 4.6 percentage points
Return on net assets ⁽¹⁾	0.5%	-6.3%	Increased by 6.8 percentage points
Earnings per share (RMB)	0.02	-0.23	N/A
Earnings per share after deducting non-recurring gains or losses (RMB)	-0.08	-0.30	N/A

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

Balance Sheet

	31 December 2023	31 December 2022	Change %
(All amounts are in RMB Million unless otherwise stated)			
Assets	<u>283,267</u>	<u>288,021</u>	-1.65%
Current assets	191,827	201,154	-4.64%
Cash at bank and on hand (1)	48,226	50,982	-5.41%
Accounts receivable	40,478	38,280	5.74%
Prepayments	9,512	10,277	-7.45%
Inventories	32,424	30,872	5.03%
Contract assets	21,913	21,802	0.51%
Other current assets	17,322	22,719	-23.75%
Non-current assets	91,440	86,867	5.26%
Liabilities	<u>206,340</u>	<u>193,827</u>	6.46%
Current liabilities	167,725	163,525	2.57%
Short-term borrowings	8,272	8,661	-4.49%
Accounts payable	59,610	57,397	3.86%
Contract liabilities	44,207	38,743	14.10%
Other current liabilities	11,501	11,782	-2.38%
Non-current liabilities	38,615	30,301	27.44%
Long-term borrowings	30,894	21,648	42.71%
Owners' equity	<u>76,927</u>	<u>94,194</u>	-18.33%
Attributable to equity owners of the Company	52,798	54,862	-3.76%
Attributable to minority interests	24,129	39,332	-38.65%

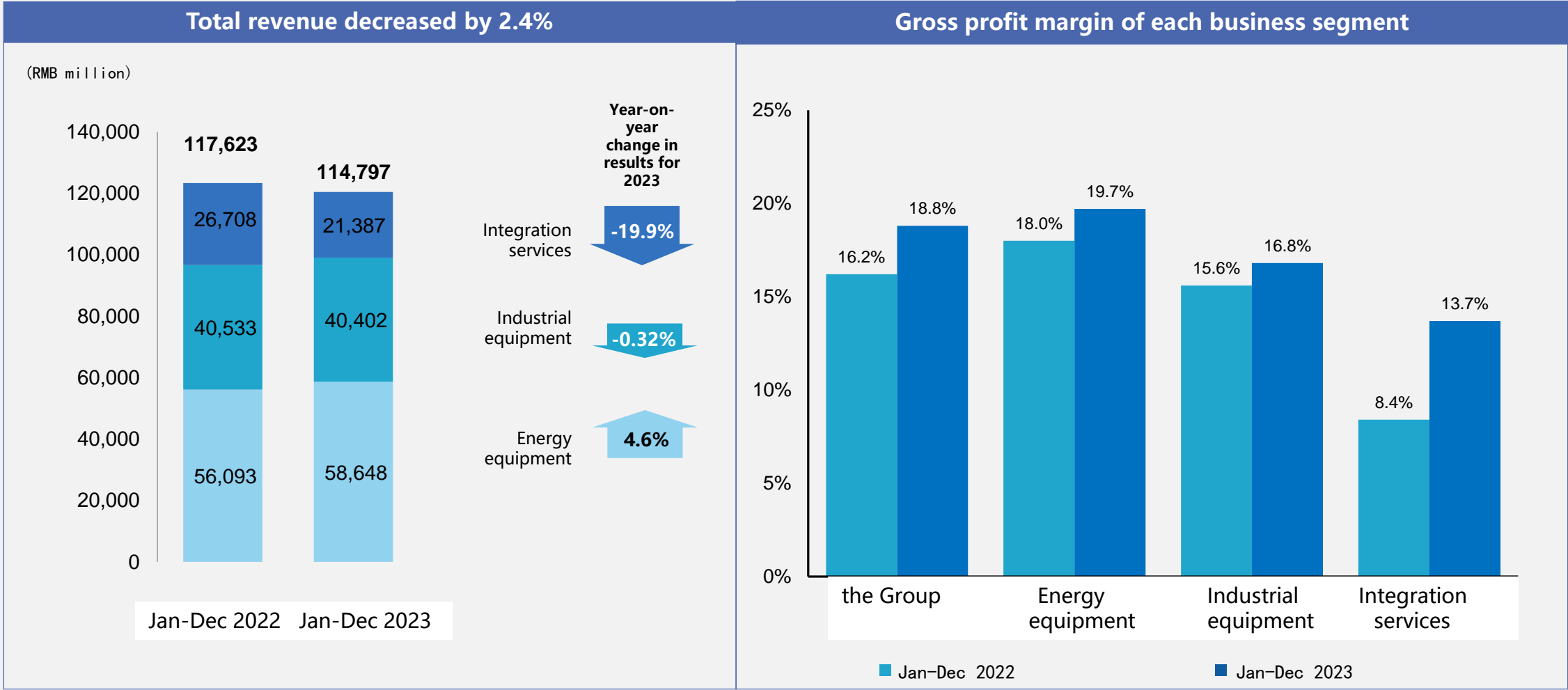
(1) According to the requirements of the new accounting standards, the ending cash at bank and on hand are mainly for the presentation of the following items: cash at bank and on hand, settlement provisions, and lending funds;

Chapter 02

Operation Results of Business Segments



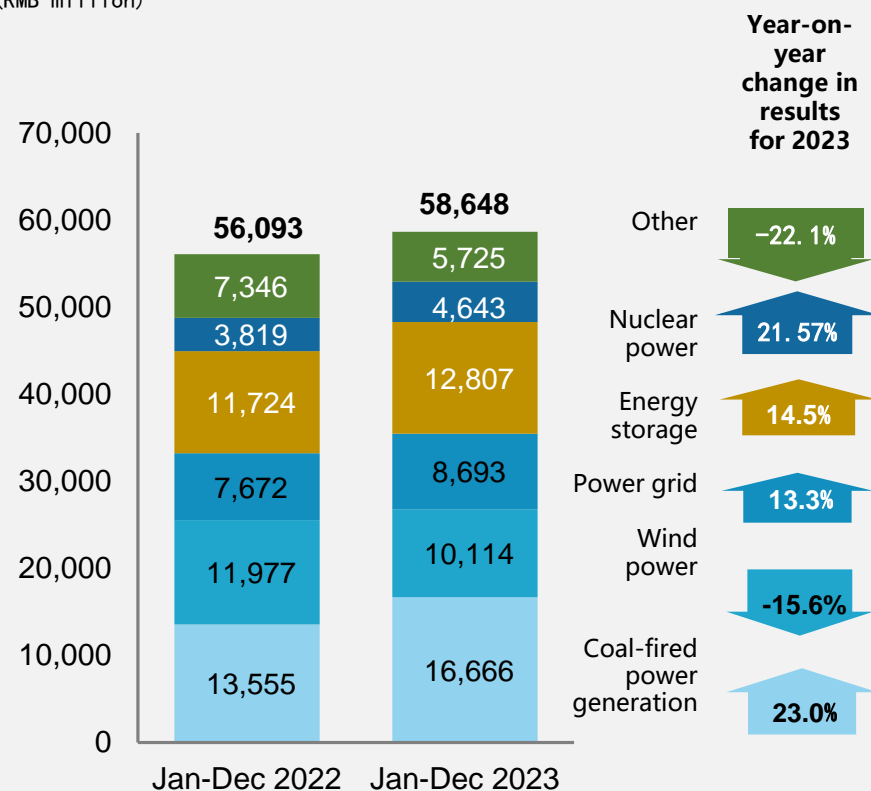
Changes in Total Revenue and Gross Profit Margin of Business Segments



Energy Equipment

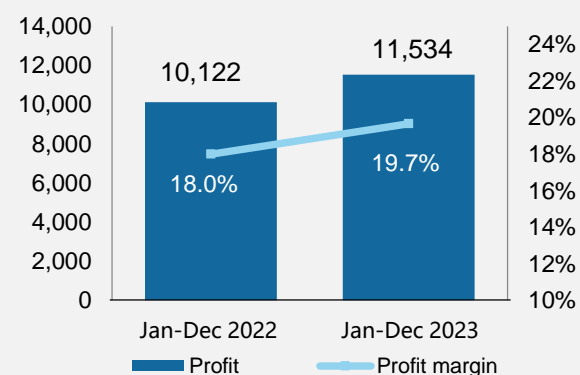
Total revenue increased by 4.6%

(RMB million)



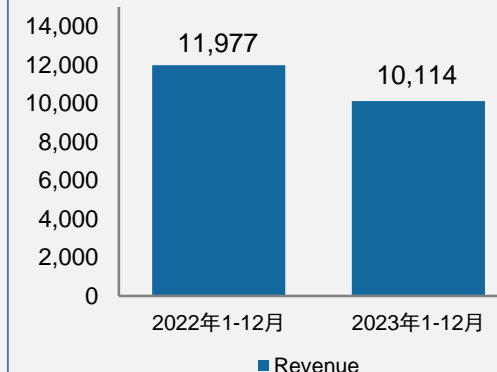
Gross profit and gross profit margin

(RMB million)



Revenue from wind power business

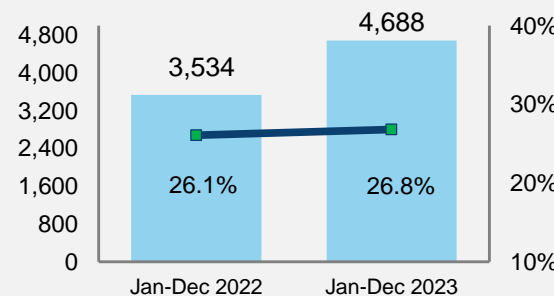
(RMB million)



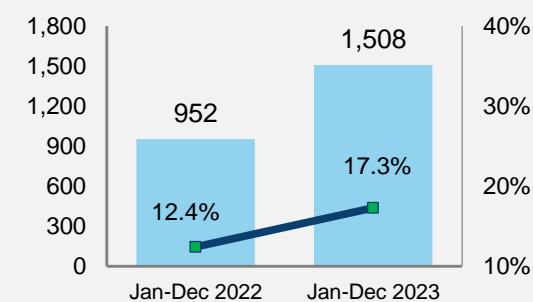
Gross profit and gross profit margin of coal-fired power generation and power grid

(RMB million)

Coal-fired power generation

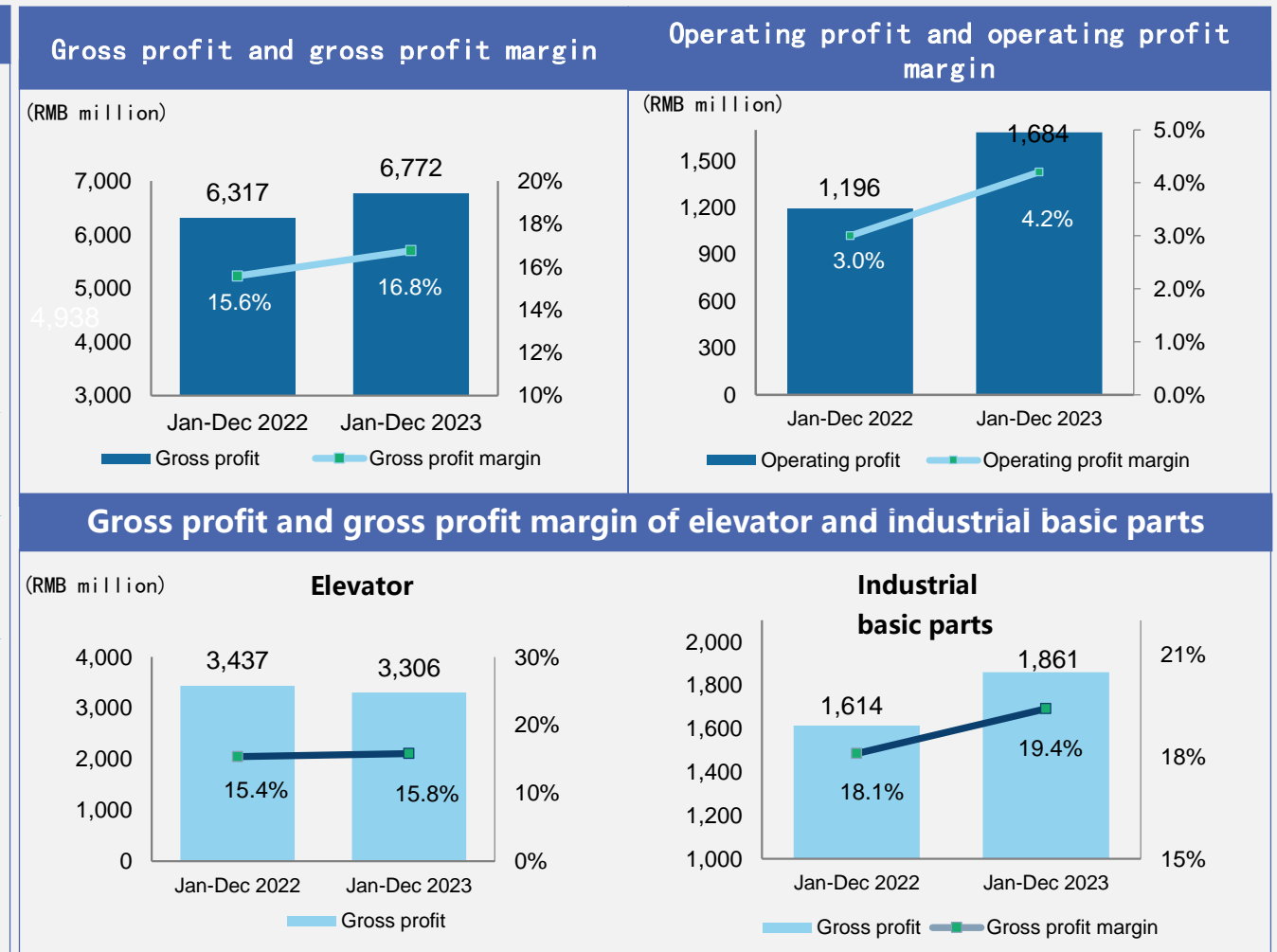
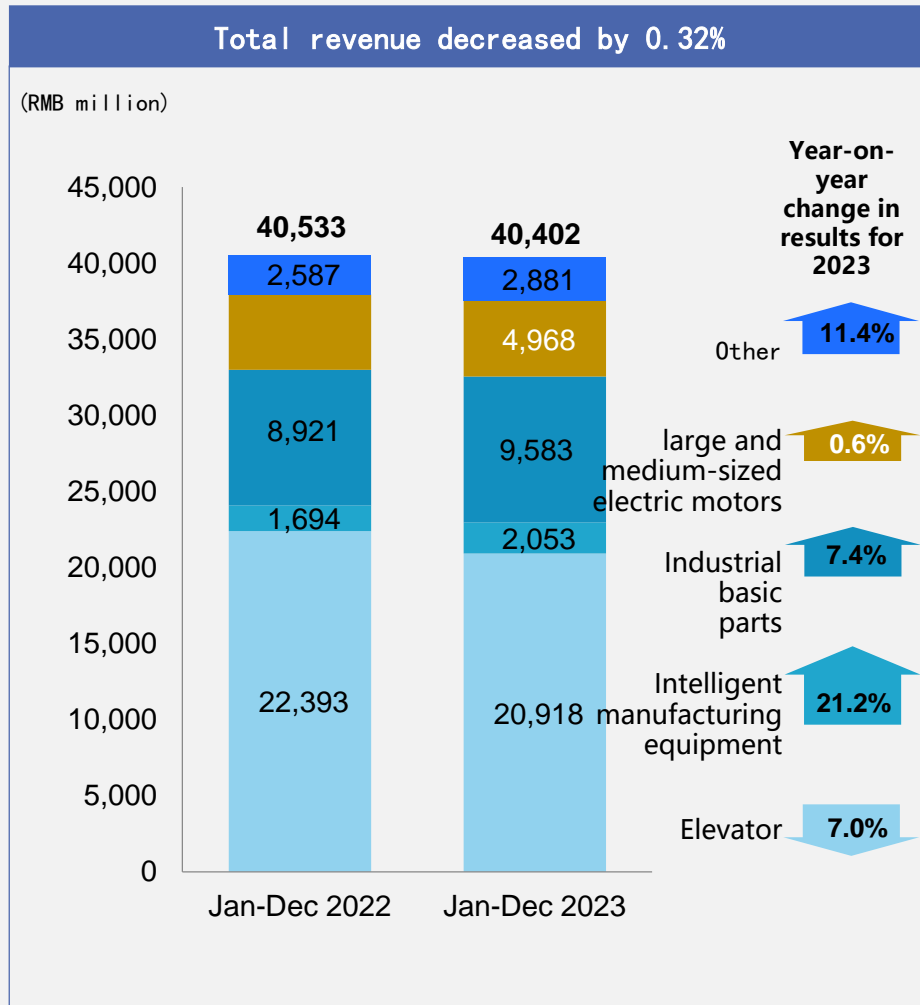


Power grid



Note: The revenue figures for the segment have not been adjusted for inter-segment offset but adjusted for intra-segment offset

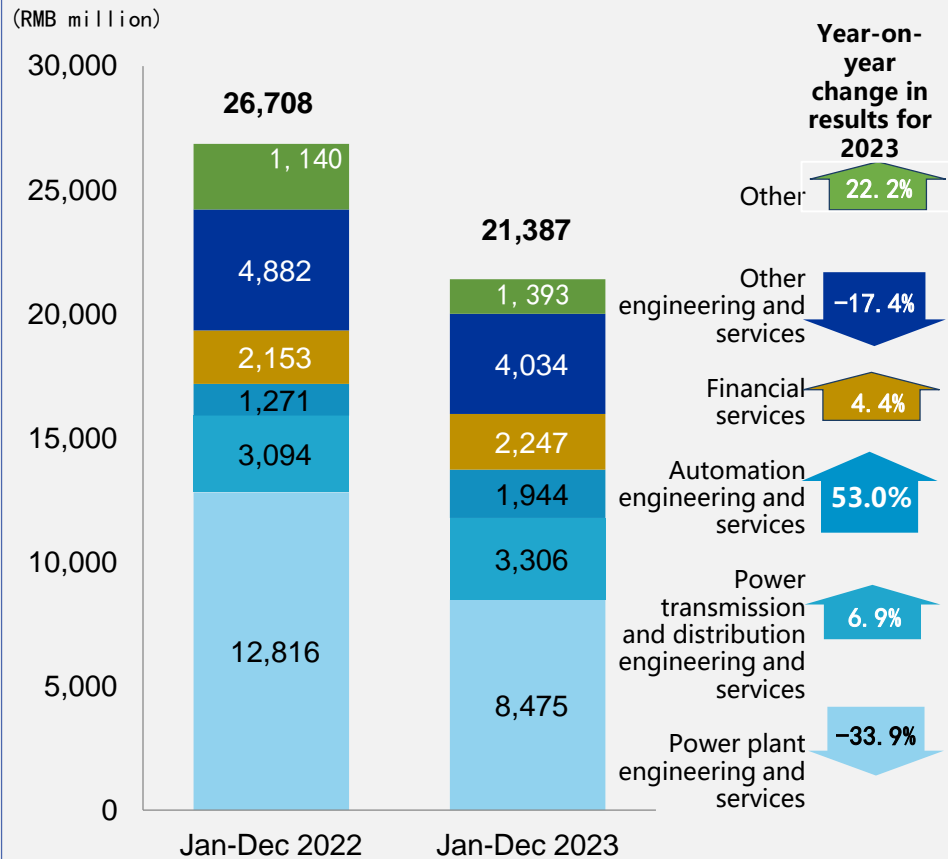
Industrial Equipment



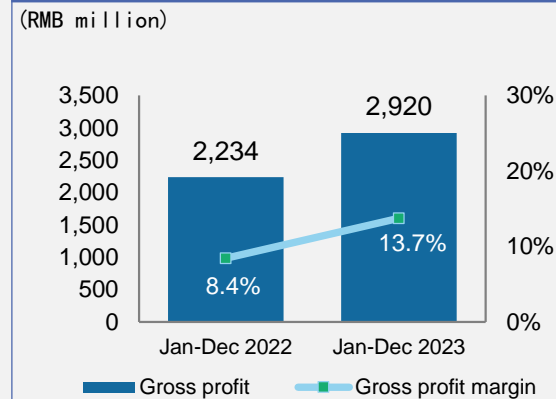
Note: The revenue figures for the segment have not been adjusted for inter-segment offset but adjusted for intra-segment offset

Integration Services

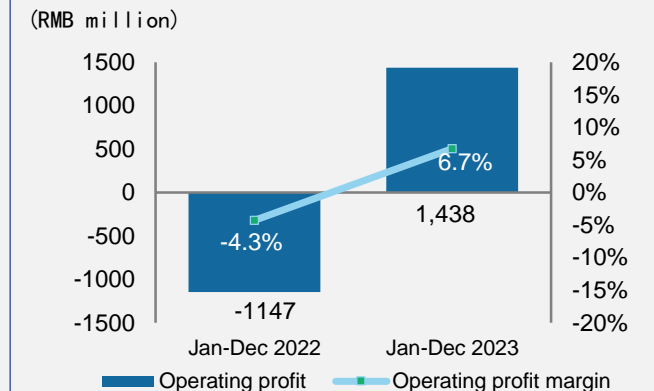
Total revenue decreased by 19.9%



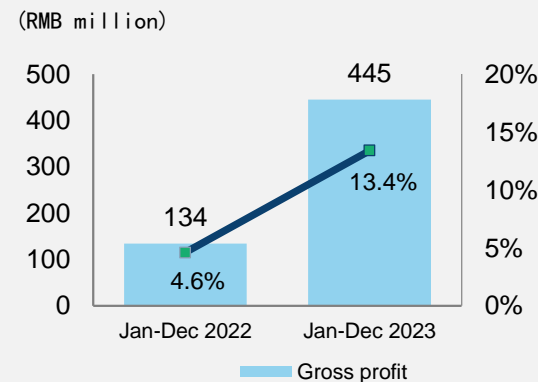
Gross profit and gross profit margin



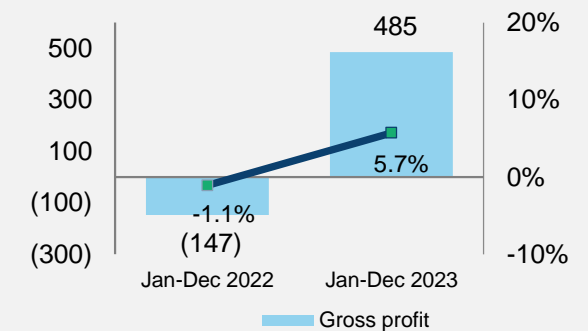
Operating profit and operating profit margin



Gross profit and gross profit margin of power transmission and distribution engineering and services



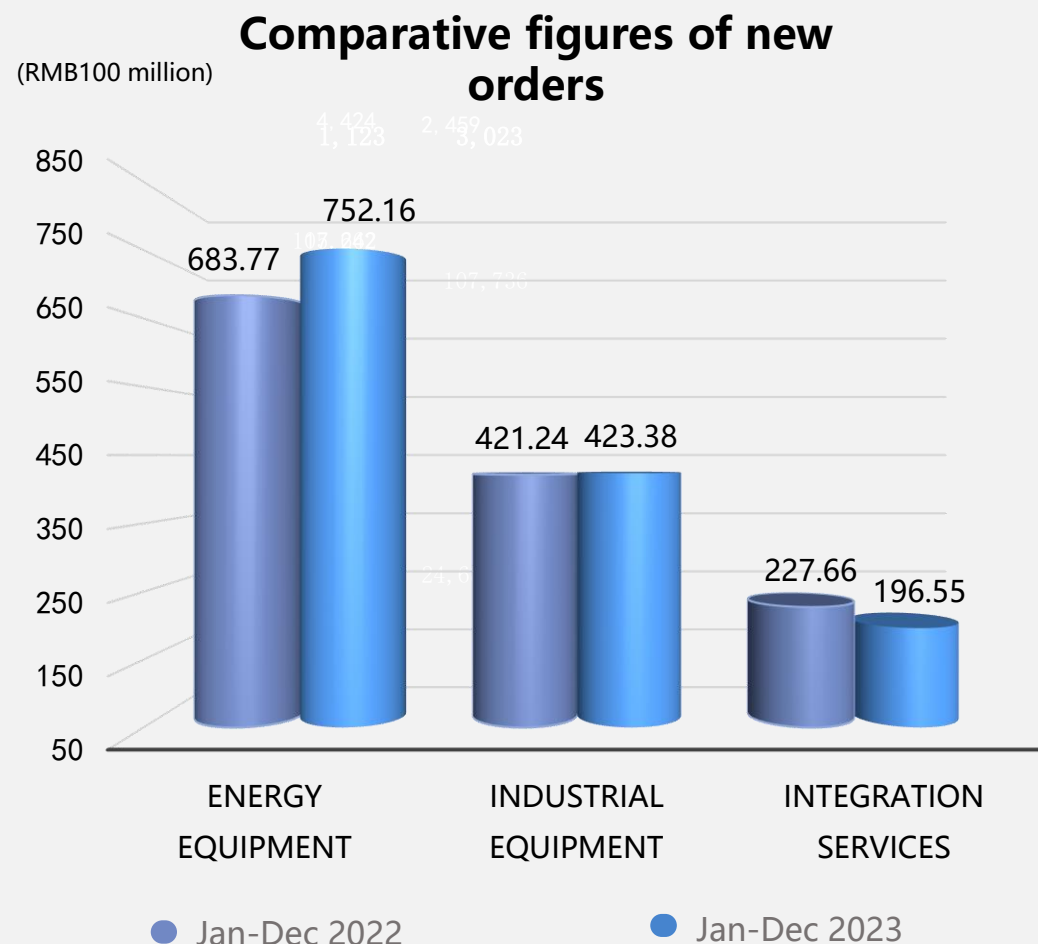
Gross profit and gross profit margin of power plant engineering and services



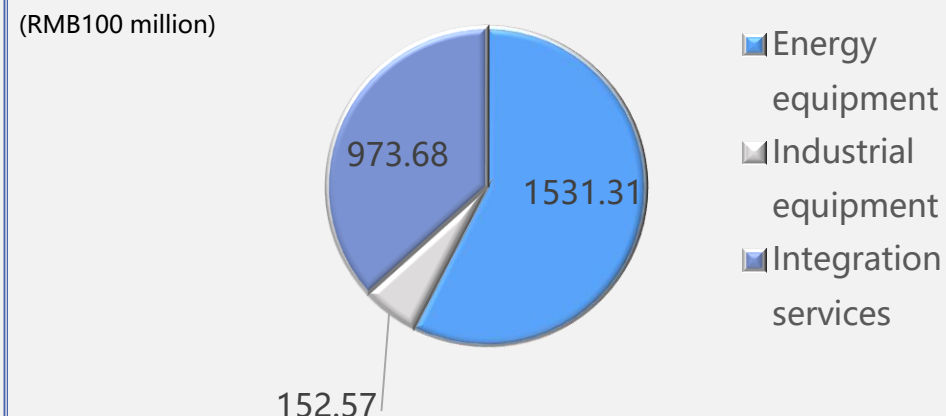
Note: The revenue figures for the segment have not been adjusted for inter-segment offset but adjusted for intra-segment offset

Details of Business Orders

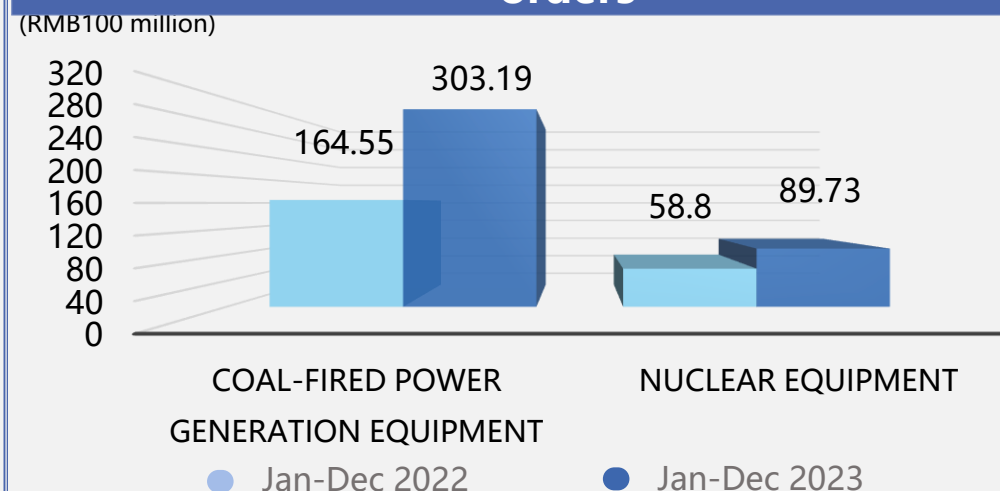
New orders of RMB137.208 billion



Orders on hand of RMB265.756 billion



Comparative figures of certain business new orders



Chapter 03

Various Measures to Promote High-quality Development



Focusing on National Strategy and Promoting the Achievement of High-Quality Development

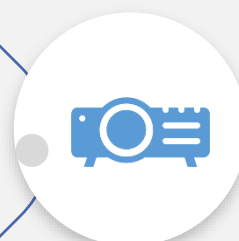


Vigorously making layout for the core equipment industry

Giving full play to its advantages in efficient and clean energy equipment, and vigorously making layout for the core equipment industry of "wind power, solar power, energy storage, hydrogen power", to promote the benign synergistic development of resource development and equipment manufacturing

Helping to realize the optimal combination of the old and new

Helping to realize the optimal combination of traditional energy and new energy by relying on technological innovation and institutional innovation, so as to contribute to the construction of a new power system with new energy serving as the main body



Focusing on National Strategy

driving the cultivation and development of new driving forces with technology innovation

so as to achieve high-quality development

Vigorously promoting transformation and development

Actively cultivating emerging equipment industries and vigorously promoting transformation and development featuring industrial intelligence, greenization, integration and collaboration.

Establishing a complete internal management system

A scientific, efficient and powerful scientific and technological innovation system
An industrial system featuring coordinated development with innovation guiding the way
An efficient and coordinated organizational system with orderly management and control
A corporate governance system with effective checks and balances
A comprehensive, systematic, scientific and reasonable performance evaluation system

Advantageous Industries: Breakthrough have been made in Technology Bottlenecks and Be Self-Reliant and Self-Improving

Nuclear power

Breakthrough was made in manufacturing of the first set of nuclear fusion equipment, localization being realized in the third-generation and industrialization realized in the fourth-generation

- The main system of the world's first nuclear fusion fully high-temperature superconducting tokamak device HH-70 developed by us was shipped
- The vacuum chamber of the world's first EXL 50U compact fusion device developed by us was delivered
- The industrialization of key materials for fast reactors for the demonstration of the fourth-generation nuclear power developed by us was realized
- "Hualong One" RSR shaft-sealed nuclear main pump developed by us realized 100% localization
- The third-generation RUV wet winding nuclear main pumps developed by us realized 65% localization

Coal-fired power

Continuing to set new records for the lowest coal consumption in the world for coal-fired power units and having become a model for upgrading and transforming

- Unit coal consumption being reduced to 248.86g/kWh

Gas turbine

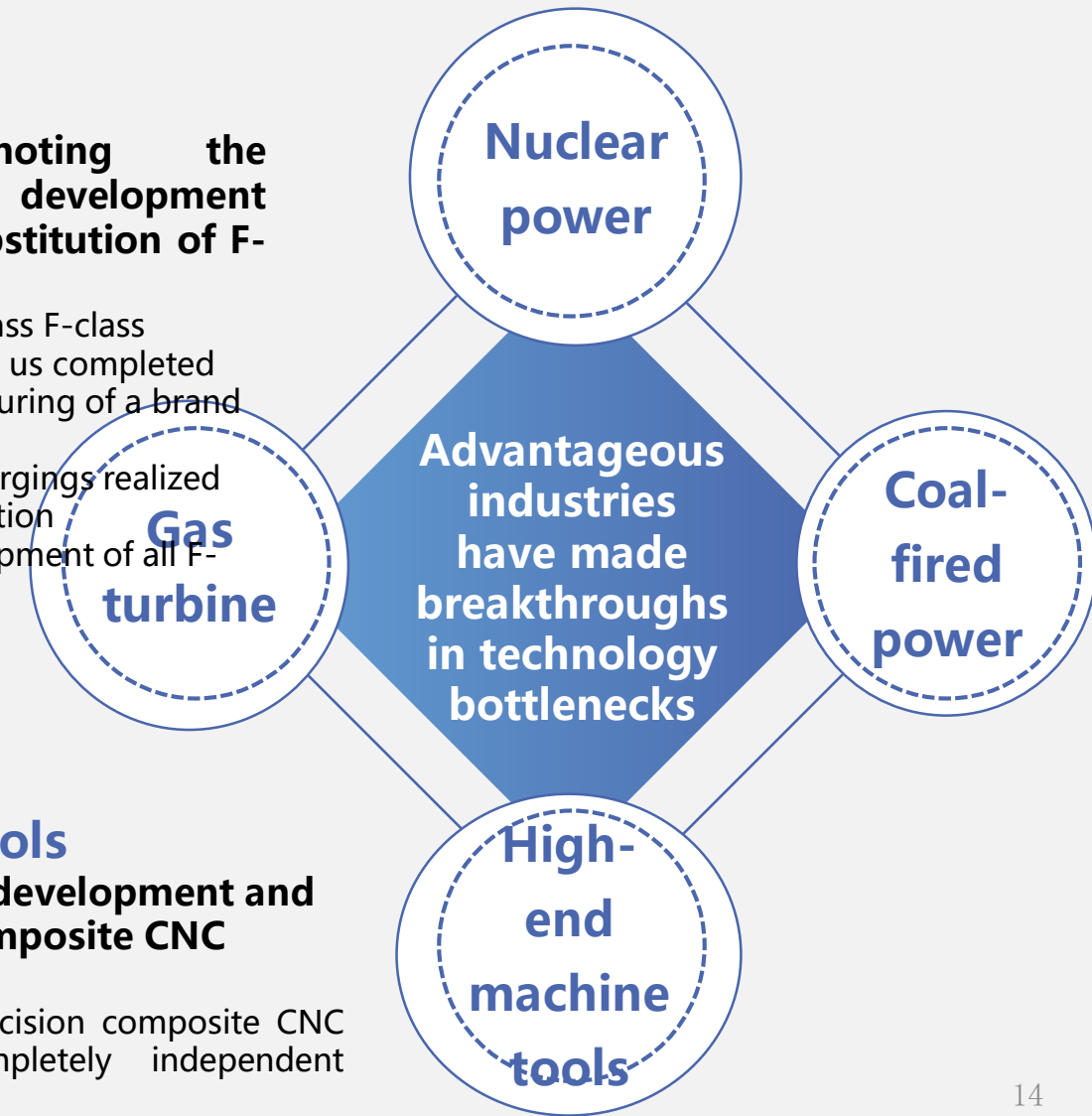
Initiating and promoting the independent research and development and domestically made substitution of F-class combustion engines

- The third-generation 300MW class F-class combustion turbine developed by us completed the design, process and manufacturing of a brand new unit
- The combustion turbine rotor forgings realized 100% domestically made substitution
- Promoting the localized development of all F-class turbine blades

High-end machine tools

Independent research and development and production of precision composite CNC grinding machines

- Small batch production of precision composite CNC grinding machines with completely independent intellectual property rights



Maintaining a High Percentage of R&D Investment

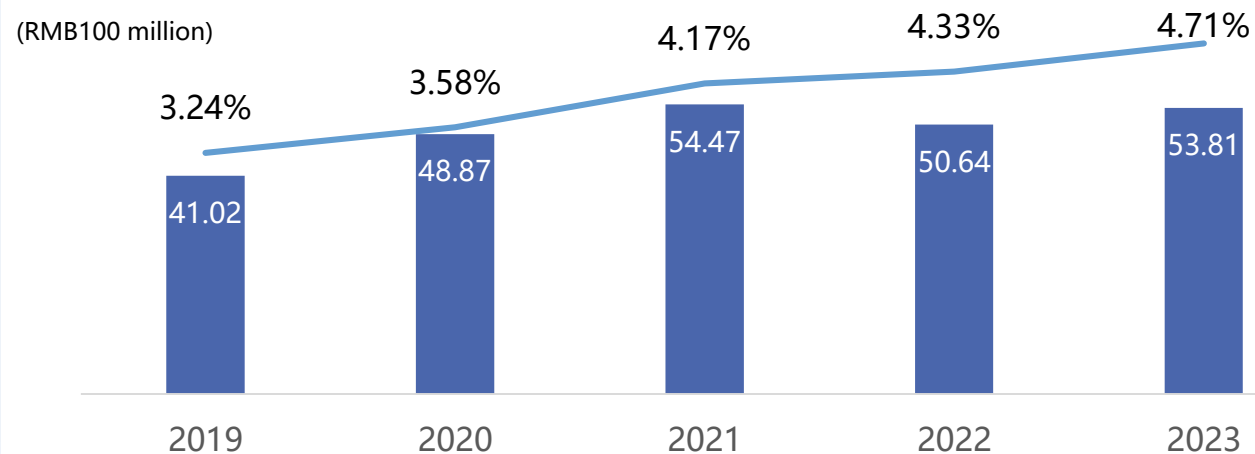
01 R&D Investment

Over **RMB5 billion** for the 3rd consecutive year

02 R&D percentage

Growth for the 5th consecutive year

R&D investment and percentage of revenue



New Tracks: Benchmarking the Highest International Standards and Consolidating the Foundation for Industrial Development

Wind power industry

Significant breakthroughs were made in resource development and positive progress was made in overseas business

- The 16MW all-sea platform units by us set new global record
- The world's first deep-sea floating wind, solar and fishery integration project was by us

Solar power industry

The layout of the whole industrial chain, from the design and construction of production lines to the research and development of products, was realized

- The first high-efficiency N-type photovoltaic module developed by us rolled off the line
- Breakthrough was made in heterogeneous silver paste screen printing technology

Intelligent equipment industry

Intelligent system solutions have been formed

- The LNK intelligent elevator digital solution developed by us was officially released



Energy storage industry

Serialized product development and manufacturing capacity

- The vanadium redox flow energy storage module developed by us has a maximum energy storage time of 6 hours, and a DC side efficiency of more than 80%
- The world's first 300MW-level compressed air energy storage serialized high-capacity motors successfully rolled off the line

Hydrogen industry

Comprehensively entering into the whole industry chain of "production, storage, processing and utilization"

- The 2000Nm³/h alkaline electrolysis and 100Nm³/h PEM electrolysis water hydrogen production equipment developed by us have successfully rolled off the line
- The integrated green hydrogen production, storage and utilization demonstration project by us completed engineering verification

Integrated industry

Smart energy management

- Shanghai Electric Energy Carbon Smart Management Platform V1.0 developed by us was launched

Optimizing Incentive Mechanism and Stimulating Corporate Vitality

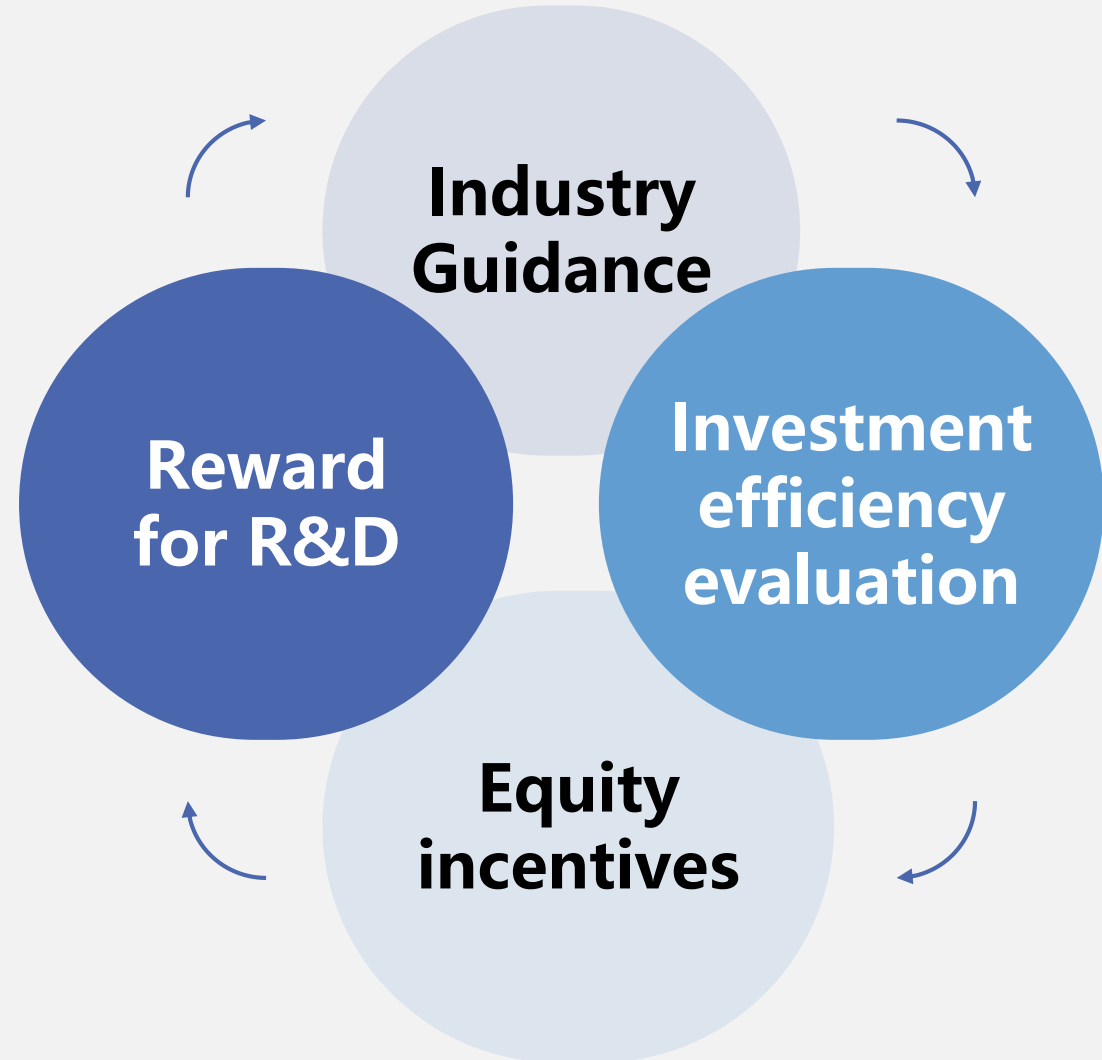


Improvement of the Group's management and control model and structure

We focused on investment in transformation and upgrading and the cultivation of emerging industries, strengthened investment efficiency evaluation, and guided the optimization of investment structure.

Establishment of a market-based incentive mechanism for scientific and technological talents

We increased efforts to promote the commercialization of scientific and technological achievements, reward for research and development projects, and incentives for scientific and technological enterprises, and optimized the incentive mechanism for research and development personnel.





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