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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)**

## ANNOUNCEMENT ON THE TRANSFER OF PROPERTY THROUGH PUBLIC TENDER

This announcement is made by the board of directors of Shanghai Electric Group Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and with reference to Rule 13.10B of the Listing Rules.

### I. Overview

On 1 August 2024, at the 97th meeting of the fifth session of the board of directors of the Company, the Resolution on the Transfer of Property of Shanghai Electric Group Company Limited through Public Tender was considered and approved. It was agreed to transfer the property of the Company, which is located at the 30th Floor, No. 8 Xingyi Road, Shanghai, through public tender on the Shanghai United Assets and Equity Exchange Co., Ltd. (the “**United Assets and Equity Exchange**”) at a tender price not less than RMB63,863.9 thousand, being the appraised value of the property as filed with the state-owned assets supervision and administration commission.

The transaction does not constitute a material asset restructuring as stipulated in the “Measures for the Administration of Material Asset Restructuring of Listed Companies” (《上市公司重大資產重組管理辦法》), nor does it constitute a connected transaction.

### II. Information on the Counterparty

As the transaction will be carried out through a public tender on the United Assets and Equity Exchange to seek potential transferees, the counterparty to the transaction has not yet been determined.

### III. Basic Information on the Transaction Subject

The subject of the transaction is the property located at the 30th floor, No.8 Xingyi Road, Shanghai. According to the Shanghai Real Estate Property Certificate [Hu Fang Di Shi Zi (2004) No. 000374] (《上海市房地產權證》[滬房地市字(2004)第000374號]), the owner is the Company; the nature of the land use right is transfer; the land use is for comprehensive purposes; the type of the housing is office building; the use of the housing is office; and the building area is 2,114.70 square meters.

There is no mortgage, pledge or any other restriction on the transfer of the property, no litigation, arbitration or judicial measures such as seizure or freezing, and there are no other circumstances hindering the transfer of ownership.

#### IV. Transaction Pricing

The transaction consideration will not be less than the appraised value of the property which has been filed with the state-owned assets supervision and administration commission.

Shanghai BadaGooray & Henry Chartered Valuation Surveyors Co., Ltd. (上海八達國瑞房地產土地估價有限公司) was engaged to conduct the asset valuation for this transaction. For the valuation results, the market approach was adopted, and the valuation benchmark date is 29 February 2024. According to the Assets Valuation Report (Hu Ba Da Guo Rui Ping Bao Zi (2024) No. ZC0016) (《資產評估報告》(滬八達國瑞評報字(2024)第 ZC0016 號)), the appraised value (tax inclusive) of the property which is located at the 30th Floor, No.8 Xingyi Road, Shanghai is RMB63,863.9 thousand, details of which are as follows:

#### Summary of Valuation Results

Valuation benchmark date: 29 February 2024

Unit: RMB

Project	Building area (square meter)	Net book value	Appraised value (tax inclusive)	Appreciation in value	Appreciation rate (%)
30th Floor, No.8 Xingyi Road, Shanghai	2,114.70	5,093,122.47	63,863,940.00	58,770,817.53	1,153.93

#### V. Arrangement for the Transaction

The Company will publicly disclose the transfer information on the United Assets and Equity Exchange and solicit interested transferees in accordance with the relevant provisions of the measures for the supervision and administration of transactions of state-owned assets. The announcement period is 20 business days, which will be extended by a period of 5 business days each time (but not more than one year from the date of official announcement) if no interested transferee is solicited by the expiry of the tender period.

The principal terms of the transaction are as follows:

1. This project adopts one-off payment method. The transferee shall pay the consideration for the transaction and service fees, excluding the deposit, to the account designated by the United Assets and Equity Exchange within 5 working days from the date of entering into the Property Ownership Transaction Contract. The deposit paid by the transferee will be converted into part of the consideration for the transaction after the transferee signs the Property Ownership Transaction Contract, and the transferee agrees that the United Assets and Equity Exchange will transfer the consideration for the transaction in full to the account designated by the transferor within 3 working days after the United Assets and Equity Exchange issues a property ownership transaction certificate and upon the transferor's application. If the transferee fails to pay the transaction consideration on time due to their own reasons, the transferor has the right to suspend the subsequent property transaction. If the transferee fails to pay the consideration for the transaction on time, the transferor will charge a penalty of 0.5% of the unpaid portion of the consideration for the transaction per day; in case of being overdue for 15 working days, the transferee will be deemed to be in breach of contract, and the transferor has the right to deduct the entire deposit, publicly dispose of the subject otherwise, and request the transferee to compensate for the actual losses.

2. The transferor and the transferee shall bear their respective portion of taxes and fees incurred during the registration process for the change of ownership of the transferred subject, in accordance with the relevant provisions of national laws and regulations.

3. This project will be handed over on an “as-is” basis. Within 10 working days after receiving the full amount of the consideration, the transferor shall sign the Property Purchase and Sales Contract and start the subsequent procedures for change of the property ownership certificate with the transferee, and both parties shall complete the handover of the property deposit (including but not limited to the property management deposit and parking space deposit) before signing the Property Purchase and Sales Contract or changing the real estate ownership certificate, and the property deposit (including but not limited to the property management deposit and parking space deposit) before signing the Property Purchase and Sales Contract shall be owned by the transferor, and the transferee shall directly pay the property deposit which has been paid by the transferor to the property management company to the transferor based on the receipts provided by the transferor. Within 10 working days after completing the change of the real estate ownership certificate, the property management account name and public utility account names, the procedures for handover of the property and the procedures for handover of the leasehold relationship (including the handover of lease contracts, procedures for carry-over of rental deposit, and the settlement of property management fees, public utility fees, and other related facility charges) shall be processed. The settlement benchmark date will be the property’s delivery date, and the property management fees and public utility fees (including but not limited to water, electricity, gas, telephone, television and internet fees) before the delivery date shall be borne by the transferor, while those after the delivery date shall be borne by the transferee. The rent before the delivery date shall be collected by the transferor, while that after the delivery date shall be collected by the transferee.

## **VI. Impact of the Transaction on the Company**

The purpose of the transaction of the Company is to further integrate its property resources. The income from the transaction will be used to replenish the Company’s daily working capital. The pricing of the transaction was determined in line with the appraised value of the property which has been filed with the state-owned assets supervision and administration committee, and there is no act that is detrimental to the interests of the Company and its shareholders.

According to the preliminary calculation by the financial department of the Company, if the transaction is completed at the initial bidding price, after deducting the net book value, land value-added tax and other expenses, the impact on the Company’s net profit attributable to the parent company for the year 2024 is estimated to be approximately RMB56 million, which is subject to the results confirmed through the annual audit to be conducted by the auditor.

In view of the public tender procedures to be fulfilled for the transaction, there are uncertainties about the conclusion of the transaction and the final consideration for the transaction. The Company will pay close attention to the progress of the transaction and fulfil its information disclosure obligations in a timely manner.

**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, 1 August 2024

*As at the date of this announcement, the executive directors of the Company are Dr. WU Lei 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 purposes only*