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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)**

### **ISSUANCE OF €600,000,000 1.125% GUARANTEED BONDS DUE 2020**

Reference is made to the announcement of the Company dated 17 March 2015 in respect of the proposed issuance of the bonds. The Board is pleased to announce that on 22 May 2015, the Issuer, the Company and the Managers entered into the Subscription Agreement (as effective from 19 May 2015) in connection with the Bonds in the aggregate principal amount of €600,000,000 and the issuance of the Bonds was completed on 22 May 2015.

The Issuer (a wholly-owned subsidiary of the Company) conducted an international offering of the Bonds. The Bonds were only offered and sold outside the United States to non-U.S. persons in compliance with Regulation S under the U.S. Securities Act.

The proceeds from the Bonds are intended to be used primarily to pay off the EUR400 million bridge loan obtained in connection with the acquisition of 40% equity interest in AEN and related interest and fees. The remainder will be on-lent to Shanghai Electric Hongkong Co. Limited (a wholly owned subsidiary of the Company) and utilised (i) for merger and acquisition activity, (ii) to repay debt or (iii) to purchase products manufactured by the Group for resale to customers or purchase equipment or raw materials for use in the operations of the Group.

The Issuer has made an application to the Irish Stock Exchange for the Bonds to be admitted to the Official List and trading on the Global Exchange Market of the Irish Stock Exchange. The dealing in, and listing of, the Bonds on the Irish Stock Exchange has commenced on 25 May 2015.

### **SUBSCRIPTION AGREEMENT**

Date: 22 May 2015 (effective from 19 May 2015)

#### **Parties:**

- (1) the Issuer;
- (2) the Company; and
- (3) the Managers.

The Bonds were only offered and sold outside the United States to non-U.S. persons in compliance with Regulation S under the U.S. Securities Act.

## **PRINCIPAL TERMS AND CONDITIONS**

### *Bonds offered*

The Issuer issued the Bonds in the aggregate principal amount of €600,000,000. Unless previously redeemed or purchased and cancelled, the Bonds will mature on 22 May 2020 at their principal amount.

### *Issue Price*

The issue price of the Bonds is 99.691% of the principal amount of the Bonds.

### *Interest*

The Bonds bear interest from and including 22 May 2015 at the rate of 1.125% per annum, payable annually in arrear on 22 May in each year.

### *Status of the Bonds and the Guarantee*

The Bonds constitute direct, general, unconditional, unsubordinated and (subject to Condition 3(a) of the Terms and Conditions) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Guarantee constitutes a direct, general, unconditional, unsubordinated and (subject to Condition 3(a) of the Terms and Conditions) unsecured obligations of the Company which will at all times rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### *Redemption*

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 22 May 2020.

The Company or the Issuer may, at the Company's option, at any time redeem the Bonds, in whole but not in part, on not less than 30 nor more than 60 calendar days' prior notice at a redemption price equal to the greater of: (i) 100% of the principal amount of the Bonds and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds to be redeemed, discounted to the date of redemption on an annual basis (Actual/Actual (ICMA)) at the Comparable Government Bond Rate plus 20 basis points plus, in each case of both (i) and (ii) above, any accrued and unpaid interest on the Bonds to the date of redemption.

The Bonds may be redeemed, at the option of the Issuer, in whole but not in part, on not less than 30 nor more than 60 calendar days' prior notice at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest to the date fixed for redemption in the event of certain changes affecting the taxes of any Relevant Jurisdiction (as defined in the Terms and Conditions), as further described in Condition 5(c).

Following the occurrence of a Change of Control Triggering Event (as defined in the Terms and Conditions) or a SAFE Noncompliance Event (as defined in the Terms and Conditions), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Settlement Date (as defined in the Terms and Conditions) at 101% (in the case of a redemption for a Change of Control Triggering Event), or 100% (in the case of a redemption for a SAFE Noncompliance Event), of their principal amount, together in each case with accrued interest to the Put Settlement Date.

## **GUARANTEE**

The Company will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds, including any principal, interest, premium and related financial obligations.

## **PROPOSED USE OF PROCEEDS**

The proceeds from the Bonds are intended to be used primarily to pay off the EUR400 million bridge loan obtained in connection with the acquisition of 40% equity interest in AEN and related interest and fees. The remainder will be on-lent to Shanghai Electric Hongkong Co. Limited (a wholly-owned subsidiary of the Company) and utilised (i) for merger and acquisition activity, (ii) to repay debt or (iii) to purchase products manufactured by the Group for resale to customers or purchase equipment or raw materials for use in the operations of the Group.

## **LISTING AND RATING**

The Issuer has made an application to the Irish Stock Exchange for the Bonds to be admitted to the Official List and trading on the Global Exchange Market of the Irish Stock Exchange. The dealing in, and listing of, the Bonds on the Irish Stock Exchange has commenced on 25 May 2015.

The Bonds are rated “A” by Fitch Ratings, Inc., “A” by Standard & Poor’s Rating Services and are expected to be rated “A2” by Moody’s Investors Services.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“AEN”	Ansaldo Energia S.p.A., a joint stock company incorporated under the laws of Italy, whose registered address is Via Niclo Lorenzi no.8, 16152, Genoa, Italy
“Board”	the board of directors of the Company
“Bond(s)”	€600,000,000 in aggregate principal amount of 1.125% guaranteed Bonds due 2020 issued by the Issuer
“Company”	Shanghai Electric Group Company Limited (上海電氣集團股份有限公司), a joint stock limited company duly incorporated in the People’s Republic of China with limited liability, the H shares of which are listed on The Stock Exchange of Hong Kong Limited under stock code 02727 and the A shares of which are listed on the Shanghai Stock Exchange under stock code 601727
“Condition”	the condition stipulated in the Terms and Conditions
“EUR” or “€”	the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended
“Group”	the Company and its subsidiaries taken as a whole
“Guarantee”	the guarantee provided by the Company in relation to the Bonds
“Issuer”	Shanghai Electric Newage Company Limited, a public company limited by shares incorporated in Hong Kong, and a wholly-owned subsidiary of the Company
“Irish Stock Exchange”	The Irish Stock Exchange plc

“Managers”	Bank of China Limited, Bank of China (Hong Kong) Limited, CCB International Capital Limited, Deutsche Bank AG, London Branch, Morgan Stanley & Co. International plc, ABC Capital Ltd, BOCI Asia Limited, Haitong International Securities Company Limited, Huatai Financial Holdings (Hong Kong) Limited, Intesa Sanpaolo S.p.A., Hong Kong Branch, J.P. Morgan Securities plc and SG CIB
“Shareholder(s)”	holder(s) of the shares of the Company
“Subscription Agreement”	a subscription agreement entered into among the Issuer, the Company and the Managers dated 22 May 2015 (effective from 19 May 2015)
“Terms and Conditions”	the terms and conditions of the Bonds, which are appended to the Trust Deed
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction

By order of the Board  
**Shanghai Electric Group Company Limited**  
**Huang Dinan**  
*Chairman of the Board*

Shanghai, the PRC, 25 May 2015

*As at the date of this announcement, the executive directors of the Company are Mr. HUANG Dinan, Mr. ZHENG Jianhua and Mr. HUANG Ou; the non-executive directors of the Company are Mr. Wang Qiang, Mr. ZHU Kelin and Ms. YAO Minfang; and the independent non-executive directors of the Company are Dr. LUI Sun Wing, Mr. KAN Shun Ming and Dr. Chu Junhao.*

*\* For identification purpose only*