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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 DELISTING OF NON-PUBLIC ISSUED EXCHANGEABLE CORPORATE BONDS BY THE CONTROLLING SHAREHOLDER AND PROPOSED PLEDGE RELEASE OF CERTAIN SHARES

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. Basic Information on the Non-Public Issued Exchangeable Corporate Bonds by the Controlling Shareholder

References are made to the announcements of the Company dated 23 March 2021 and 16 September 2021 in relation to the non-public issuance of exchangeable corporate bonds by the controlling shareholder of the Company. Shanghai Electric Holding Group Co., Ltd. ("**SEGC**", formerly known as Shanghai Electric (Group) Corporation and renamed as Shanghai Electric Holding Group Co., Ltd. on 28 January 2022), the controlling shareholder of the Company, completed the offering of Shanghai Electric (Group) Corporation 2021 Non-Public Issuance of Exchangeable Corporate Bonds (Phase 1) (the "**21 Electric EB**" or the "**Exchangeable Bonds**") on 23 March 2021, the target shares of which are A shares of the Company and the offering size is RMB1 billion with a term of 3 years. The exchange period of 21 Electric EB is from 23 September 2021 to 23 March 2024.

II. Pledge Release Registration of Shares by Controlling Shareholder

References are made to the announcements of the Company dated 9 March 2021 and 15 March 2021 in relation to the pledge of shares by the controlling shareholder of the Company. In March 2021, the 254,545,455 A shares of the Company held by SEGC have been pledged to Guotai Junan Securities Co., Ltd. in accordance with the signed "Share Pledge Guarantee Contract". The pledged shares serve to guarantee the exchange for the Company's shares for holders of the Exchangeable Bonds and to provide guarantee for the principal and interest repayment of the Exchangeable Bonds. The registration procedures for the aforesaid share pledge were completed on 15 March 2021 at China Securities Depository and Clearing Corporation Limited Shanghai Branch, and the pledged shares were transferred to "Shanghai Electric (Group) Corporation - Shanghai Electric (Group) Corporation 2021 Non-Public Offering of Exchangeable Corporate Bonds (Phase 1) Designated Shares Pledge Account" (the "**Designated Shares Pledge Account**").

References are made to the announcements of the Company dated 12 August 2021 and 18 August 2021 in relation to the supplementary pledge of shares by the controlling shareholder of the Company. In August 2021, in accordance with the maintenance guarantee ratio and additional guarantee mechanism as stipulated in the Prospectus of Shanghai Electric (Group) Corporation 2021 Non-Public Offering of Exchangeable Corporate Bonds (Phase 1) (to Qualified Investors), the 30,000,000 A shares of the Company held by SEGC have been pledged to Guotai Junan Securities Co., Ltd. The pledged shares serve to guarantee the exchange for the Company's shares for holders of

the Exchangeable Bonds and to provide supplementary guarantee for the principal and interest repayment of the Exchangeable Bonds. The registration procedures for the aforesaid share pledge were completed on 17 August 2021 at China Securities Depository and Clearing Corporation Limited Shanghai Branch, and the pledged shares were transferred to the Designated Shares Pledge Account.

On 25 March 2024, the Company received a notice from SEGC that 21 Electric EB was delisted on 25 March 2024, and have been exchanged for a total of 0 shares of the Company. In view of the expiry and delisting of the Exchangeable Bonds, SEGC proposes to apply to the China Securities Depository and Clearing Corporation Limited Shanghai Branch for the pledge release of the remaining 284,545,455 shares in the Designated Shares Pledge Account. The aforesaid shares will be transferred to SEGC's own securities account upon the pledge release.

After the pledge release, the number of the remaining pledged shares of SEGC will be 1,710,000,000 shares, and the remaining pledged shares are pledged by SEGC for the guarantee of the exchange of shares of the Company and the repayment of principal and interest of the bonds by the holders of the proposed non-public issuance of exchangeable corporate bonds with a total amount of not exceeding RMB5 billion.

III. Information of Accumulated Pledged Shares of the Controlling Shareholder and its Parties Acting in Concert

After the release of the pledge, the accumulated pledged shares of SEGC, the Company's controlling shareholder, and its parties acting in concert will be as follows:

Name of the shareholder	Number of shares held by the shareholder	Shareholding percentage	Accumulated number of pledged shares before the Pledge Release	Accumulated number of pledged shares after the Pledge Release	Proportion to the number of shares held by the shareholder	Proportion to the total issued share capital of the Company	Pledged shares		Unpledged shares	
							Number of restricted shares among pledged shares	Number of frozen shares among pledged shares	Number of restricted shares among unpledged shares	Number of frozen shares among unpledged shares
Shanghai Electric Holding Group Co., Ltd.	7,755,743,913	49.78%	1,994,545,455	1,710,000,000	22.05%	10.98%	0	0	0	0
Total	7,755,743,913	49.78%	1,994,545,455	1,710,000,000	22.05%	10.98%	0	0	0	0

The Company will continue to pay attention to the pledge release of the shares by SEGC and will perform its information disclosure obligations in a timely manner in accordance with relevant regulations.

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, 25 March 2024

As at the date of this announcement, the executive directors of the Company are Dr. WU Lei, Mr. LIU Ping 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 purpose only*