Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

*

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 PROGRESS OF MATERIAL LITIGATIONS

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**"), the 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).

I. General Information on the Material Litigations

References are made to the announcements of the Company dated 4 September 2023 and 30 September 2024. The Company has provided loans totalling RMB1 billion to SINOMEC Engineering Group Co., Ltd. (中國能源工程集團有限公司) ("**SINOMEC**" or the "**Borrower**") in 2019 and 2020, and thereafter the Borrower repaid the principal amount of RMB1 million and a portion of the interests. Upon the maturity and collections, both the Borrower and the guarantor failed to fulfill their contractual obligations as agreed. The Company formally filed a lawsuit with the Shanghai Financial Court. After negotiations between the Company and China Pufa Machinery Industry Co., Ltd. (中國浦發機械工業股份有限公司) ("**Pufa Machinery**"), one of the defendants, on 29 September 2024, the Company entered into the settlement agreement with Pufa Machinery and its wholly-owned subsidiary Shanghai Pujin Enterprise Development Co., Ltd. (上海浦進企業發展有限公司) ("**Shanghai Pujin**"), pursuant to which, a settlement was reached regarding the repayment plan for the principal debt portion of SINOMEC. The aforementioned lawsuit has been concluded.

II. Progress of the Material Litigations

The Company has pursued claims against other debtors, including SINOMEC and the guarantor, for the remaining debts of the loan to SINOMEC, and has formally filed a lawsuit with the Shanghai Pudong New Area People's Court. On 4 August 2025, the Company received the Notice of Acceptance (《受理通知書》) indicating that the cases have been filed by the court with case numbers of (2025) Hu 0115 Min Chu No. 94754 ("**Litigation I**") and (2025) Hu 0115 Min Chu No. 94749 ("**Litigation II**").

1. Litigation I

The Company has requested the court to order that: 1. SINOMEC shall repay the Company the loan interest, penalty interest, and compound interest, totaling approximately RMB203,327,711.7 (calculated provisionally up to 2 July 2025); 2. SINOMEC shall bear all expenses incurred by the Company in enforcing its claims in this case, including but not limited to the attorney fees already incurred; 3. the Company shall be entitled to priority compensation for all the aforementioned claims from the proceeds obtained by discounting, auctioning, or selling the 10% equity interests in SINOMEC pledged by Shanghai Zhongyou Guodian Energy Co., Ltd. (上海中油國電能源有限公司) ("**Zhongyou Guodian**"); 4. The litigation costs of this case shall be jointly borne by SINOMEC and Zhongyou Guodian.

2. Litigation II

The Company has requested the court to order that: 1. SINOMEC shall repay the Company the loan principal, loan interest, penalty interest, and compound interest, totaling approximately RMB284,733,998.67 (calculated provisionally up to 2 July 2025); 2. SINOMEC shall bear all expenses incurred by the Company in enforcing its claims in this case, including but not limited to the attorney fees already incurred; 3. the Company shall be entitled to priority compensation for the aforementioned first two claims from the proceeds obtained by discounting, auctioning, or selling the 8% equity interests in SINOMEC pledged by Zhongyou Guodian; 4. the Company shall be entitled to priority compensation for the aforementioned first two claims from the proceeds obtained by discounting, auctioning, or selling the 12% equity interests in SINOMEC pledged by Shanghai Changtai Electric Co., Ltd. (上海昌泰電氣有限公司) ("**Changtai Electric**"); 5. Zhongji Guoneng Engineering Co., Ltd. (中機國能工程有限公司) ("**Zhongji Guoneng**") shall bear joint and several liability for the aforementioned first two claims; 6. the litigation costs of this case shall be jointly borne by SINOMEC, Zhongyou Guodian, Changtai Electric, and Zhongji Guoneng.

III. Impact of the Progress on the Profit of the Company for the Current or Subsequent Periods

The settlement agreement entered into by the Company, Pufa Machinery, and Shanghai Pujin is currently being implemented. As of the date of this announcement, a cumulative total of RMB924 million in principal has been recovered. Pursuant to the settlement agreement, the remaining principal of RMB75 million will be recovered in stages by the end of 2026.

As the litigation has not yet been heard or decided, the impact on the profit of the Company for the current or subsequent periods is subject to uncertainties. The Company will carry out corresponding accounting treatment according to the requirements of relevant accounting standards and actual conditions based on the trial progress and results. Meanwhile, the Company will perform its obligation of information disclosure and make timely announcement on the progress of the litigation.

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, 5 August 2025

As at the date of this announcement, the executive directors of the Company are Dr. WU Lei, Mr. ZHU Zhaokai and Mr. WANG Chenhao; 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. XU Jianxin, Dr. LIU Yunhong and Dr. DU Zhaohui.

** For identification purpose only*