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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)

CONTINUING CONNECTED TRANSACTIONS

On 30 October 2025, SMEC, a subsidiary of the Company, entered into the MESMEE purchase framework agreement with MESMEE, pursuant to which, SMEC will purchase elevator products and related services from MESMEE.

MESMEE is a connected person of the Company under Chapter 14A of the Listing Rules, therefore the MESMEE Purchase Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The highest applicable percentage ratio of the transactions under MESMEE Purchase Framework Agreement is expected to be more than 1% but less than 5%, the entering into of the MESMEE Purchase Framework Agreement and such transactions are only subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements.

On 30 October 2025, the Board (including the independent non-executive Directors) approved the MESMEE Purchase Framework Agreement and transactions contemplated thereunder, and the independent non- executive Directors confirmed that the terms of the transactions are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

I. CONTINUING CONNECTED TRANSACTIONS

MESMEE, a sino-foreign equity joint venture established in the PRC, is held as to 40% by Shanghai Mechanical & Electrical Industry Co., Ltd., a 43.81% owned subsidiary of the Company, 40% by Mitsubishi Electric and 20% by Mitsubishi Electric Building Techno-service Co., Ltd., a wholly-owned subsidiary of Mitsubishi Electric, respectively, as at the date of this announcement.

References are made to the announcement of the Company dated 19 October 2022, the circular of the Company dated 15 November 2022 and the announcement of poll voting results of the extraordinary general meeting of the Company dated 2 December 2022, in relation to, among others, the entering into of the MESMEE purchase framework agreement for the three years 2023, 2024 and 2025 between SMEC and MESMEE. Such agreement was approved at the extraordinary general meeting held on 2 December 2022 and has been in continuous operation. As the aforementioned agreement will expire on 31 December 2025, SMEC entered into the MESMEE Purchase Framework Agreement with MESMEE on 30 October 2025 for a term of three years in relation to SMEC's purchase of elevator products and related services provided by MESMEE in the future three years.

Summary of the MESMEE Framework Purchase Agreement

Date of agreement	:	30 October 2025
Parties	:	• SMEC • MESMEE
Subject matter	:	the purchase of elevator products and related services from MESMEE by SMEC
Term	:	three years commencing 1 January 2026

According to Rule 14A.52 of the Listing Rules, the period for the agreement must not exceed three years. The Company will re-comply with Chapter 14A of the Listing Rules upon expiry of the term of the agreement should SMEC decide to continue with such transactions with MESMEE.

Annual Caps and Basis of Determination

The table below sets out SMEC's historical purchase amounts from MESMEE for the years ending 2023 and 2024, and the six months ended 30 June 2025, and the proposed annual caps for the three years ending 31 December 2028:

	Historical amounts for the year ended 31 December		**Historical amounts for the six months ended 30 June**	**Proposed annual caps for the year ending 31 December**		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**
（**RMB in 100 million**）						
Aggregate purchases from MESMEE	19.75	16.78	5.72	20	20	20

In arriving at the above proposed annual caps for the purchases from MESMEE, the Directors have taken into account, among others, the prediction of high-end elevator market in the next three years with the maximum amount of transaction estimate in the previous years.

Pricing Policy

The pricing of the products under the MESMEE Purchase Framework Agreement shall be determined in accordance with the following general principles and order: where a government (including local government) pricing is available, the government price will be implemented; where such government pricing is not available, the price will be agreed within the range of the government guided price; where such government guided price is not available, market price will be implemented; if none of the above three, the negotiated price will be implemented.

Both parties agreed that if there is material change in the market that affects the cost of the products, both parties shall, conditional upon abiding the related requirement of the MESMEE Purchase Framework Agreement, amend the related provisions, or cancel the MESMEE Purchase Framework Agreement by

negotiation and enter into a new agreement.

Reasons and Benefits for Continuing Connected Transactions

SMEC possesses well-established elevator sales network and installation and maintenance system. MESMEE sold the whole set of high-end elevators it produced to SMEC. Leveraging on the sales network as well as the installation and maintenance management system of SMEC, the existing resources will be reasonably and fully utilised. The self-owned brand products of SMEC and the foreign- invested brand products of MESMEE aim at the requirement of different target customers and realizes differentiation competition, formulate mutual cooperation and successful landscape, and help to consolidate the competitive strengths of the Group in the elevator field.

Listing Rules Implications

Mitsubishi Electric, a substantial shareholder of SMEC, directly and indirectly holds aggregate 40% of the equity interest of SMEC, a subsidiary of the Company, as at the date of this announcement. Therefore, Mitsubishi Electric and its associates are each regarded as a connected person of the Company as defined under the Listing Rules. As at the date of this announcement, Mitsubishi Electric directly and indirectly holds 60% of the equity interest of MESMEE. MESMEE is therefore Mitsubishi Electric's associate and is regarded as a connected person of the Company under Chapter 14A of the Listing Rules, thus the MESMEE Purchase Framework Agreement and the transactions contemplated under it constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The highest applicable percentage ratio of the transactions under the MESMEE Purchase Framework Agreement is expected to be more than 1% but less than 5%, the entering into of the MESMEE Purchase Framework Agreement and such transactions are only subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements.

II. OPINIONS OF THE BOARD OF DIRECTORS

Dr. WU lei, being Director of the Company, was also the chairman of the board of directors of MESMEE. Dr. WU Lei thus has material interests in the continuing connected transactions contemplated under the MESMEE Framework Purchase Agreement. He has therefore abstained from voting on the board resolutions approving such matters (including proposed annual caps). Other than disclosed above, none of the other Directors has a material interest in the continuing connected transactions contemplated under the MESMEE Framework Purchase Agreement.

Having made due and reasonable inquiries, the Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions under the MESMEE Purchase Framework Agreement are necessary for the operation of SMEC, and are in accordance with the normal commercial terms, at arm's length and on the basis of framework agreement and relevant specific transaction agreements, and entered into after arm's length negotiations, are on normal commercial terms and conducted in the ordinary and usual course of business and are in the interest of the Company and the shareholders of the Company as a whole, and that the terms and the proposed annual caps of the MESMEE Purchase Framework Agreement are fair and reasonable. On 30 October 2025, the Board (including the independent non-executive directors) approved the MESMEE Purchase Framework Agreement and transactions contemplated thereunder.

III. GENERAL INFORMATION

The Group is one of the largest industrial equipment manufacturing conglomerates in China engaged in the following principal activities: (i) the energy equipment segment: including design, manufacture and sales of nuclear power equipment, energy storage equipment, coal-fired power generation and corollary equipment, gas-fired power generation equipment, wind power equipment, hydrogen energy equipment, photovoltaic equipment, high-end vessels for chemical industry as well as providing power grid and industrial intelligent

power supply system solutions; (ii) the industrial equipment segment: including design, manufacture and sales of elevators, large and medium-size electric motors, intelligent manufacturing equipment, industrial basic parts and construction industrialization equipment; and (iii) the integrated services segment: including providing energy, environmental protection and automation engineering and services, covering traditional and new energy, comprehensive use of solid wastes, sewage treatment, flue gas treatment, rail transit, etc.; providing industrial internet services; providing financial services, covering financing leases, factoring, asset management, insurance brokerage, etc.; providing park and property management services mainly based on industrial real estate, etc. The ultimate beneficial owner of the Group is Shanghai State-owned Assets Supervision and Administration Commission.

SMEC is mainly engaged in the following activities: manufacture and sale of elevators, escalators, building automation management and provision of related services.

MESMEE is mainly engaged in the design, manufacture and sales of high-end elevators and elevator components and the provision of ancillary services.

DEFINITIONS

In this Announcement, unless the context otherwise requires, the following terms have the following meanings:

"associate(s)"	has the meaning ascribed thereto under the Listing Rules;
"Board"	the board of Directors;
"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 PRC 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;
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules;
"Directors"	the directors of the Company;
"Group"	the Company and its subsidiaries from time to time;
"Hong Kong Stock Exchange"	the Stock Exchange of Hong Kong Limited;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"market price"	The price shall be determined in the following order: (1) the price charged for the same type of products or services provided to independent third parties under normal commercial terms in the location where such products or services are offered or in nearby regions; or (2) if item (1) above is not applicable, the price charged for the same type of products or services provided to independent third parties under normal commercial terms in China.

"MESMEE"	Mitsubishi Electric Shanghai Mechanical & Electrical Elevator Co. Ltd. (三菱電機上海機電電梯有限公司), a sino-foreign equity joint venture established in the PRC, as at the date of this announcement, 40% of which is owned by Shanghai Mechanical & Electrical Industry Co., Ltd. (上海機電股份有限公司), a 43.81% owned subsidiary of the Company, 40% of which is owned by Mitsubishi Electric and 20% of which is owned by Mitsubishi Electric Building Techno-service Co., Ltd. (三菱電機大樓技術服務株式會社), a wholly-owned subsidiary of Mitsubishi Electric;
"MESMEE Purchase Framework Agreement"	the purchase framework agreement between SMEC and MESMEE dated 30 October 2025 in relation to the purchase of elevator product and related services from MESMEE by the Group;
"Mitsubishi Electric"	Mitsubishi Electric Corporation (三菱電機株式會社), a substantial shareholder of MESMEE, which directly and indirectly holds altogether 60% of the equity interest of MESMEE and 40% of the equity interest of SMEC as at the date of this announcement;
"PRC" or "China"	the People's Republic of China, but for the purposes of this announcement only, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan;
"SMEC"	Shanghai Mitsubishi Elevator Co. Ltd. (上海三菱電梯有限公司), a 52% owned subsidiary of Shanghai Mechanical & Electrical Industry Co. Ltd. (上海機電股份有限公司), which is a 43.81% owned subsidiary of the Company, as at the date of this announcement;
"RMB"	Renminbi, the lawful currency of the PRC;
"Shareholder(s)"	the shareholder(s) of the Company, including holder(s) of both A share(s) and H share(s) of the Company;
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules;
"substantial shareholder"	has the meaning ascribed thereto under the Listing Rules;
"%"	percent.

By order of the Board

Shanghai Electric Group Company Limited

HU Xupeng

Joint Company Secretary

Shanghai, the PRC, 30 October 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*