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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

(I) Basic information on the Transaction

1. Overview of the Transaction

On 30 December 2025, at the 117th meeting of the fifth session of the board of directors of the Company, the Resolution on the Company's Transfer of Property and Ancillary Facilities at No. 188, Linchun Road, Shanghai and the Acquisition of Office Land for the Construction of the Office Building was considered and approved. It was agreed that the Company transferred its property and ancillary facilities at No. 188, Linchun Road, Minhang District, Shanghai (the "**Target Assets**") through public tender on the Shanghai United Assets and Equity Exchange (the "**United Assets and Equity Exchange**") at a tender price of RMB166.3406 million, being the appraised value of the Target Asset on 31 August 2025 (subject to the appraised value as filed with the competent authority of the state-owned assets supervision and administration commission) (the "**Transaction**").

The Target Assets is currently used as the office premises for the **Shanghai Electric** Power Generation Group ("**Power Generation Group**"), the Company's subsidiary. Due to limitations in existing office conditions, Power Generation Group plans to relocate to a new site. By consolidating the office premises of the subsidiaries of the Company, Power Generation Group aims to achieve centralized management, enhance operational efficiency, and reduce external leasing costs.

2. Principal elements of the Transaction

Transaction items	☑ Sale □ Waiver of rights of first refusal □ Waiver of pre-emptive rights □ Others
Type of transaction subject	☐ Equity assets ☑ Non-equity assets
Name of transaction subject	Property and ancillary facilities at No. 188, Linchun Road, Minhang District, Shanghai
Involving cross-border transaction or not	□ Yes ☑ No
Transaction price	☐ Determined ☑ Not determined, the tender price is RMB166.3406 million, being the appraised value of the Target Asset on 31 August 2025 (subject to the appraised value as filed with the competent authority of the state-owned assets supervision and administration commission)
Book cost	RMB164.00 million
Premium of transaction price over book value	Not applicable
Payment arrangement	☑ One-off payment in full amount; agreed payment time: within five business days from the date of signing the Property Ownership Transaction Contract □ Installment payment

(II) Consideration by the board of directors

On 30 December 2025, at the 117th meeting of the fifth session of the board of directors of the Company, the Resolution on the Company's Transfer of Property and Ancillary Facilities at No. 188, Linchun Road, Shanghai and the Acquisition of Office Land for the Construction of the Office Building was considered and approved.

(III) Approvals and other procedures required for the Transaction to take effect

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 related-party transaction.

The Transaction did not meet the threshold for consideration at the general meeting.

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

(I) Overview of the transaction subject

1. Basic information on the transaction subject

The subject of the Transaction is the property and ancillary facilities at No. 188, Linchun Road, Minhang

District, Shanghai. According to the Real Estate Ownership Certificate (Hu Fang Di Min Zi (2010) No. 057299) (《不動產權證書》（滬房地閔字(2010)第057299號）), the owner of the land use right of the Target Assets is the Company, with the land designated for industrial use and a total land area of 18,612 square meters; the owner of the buildings is the Company, including three buildings, with a total building area of 25,498.48 square meters (including an underground building area of 4,840.34 square meters).

2. Ownership of the transaction subject

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

3. Operation of the relevant assets

The Company purchased the Target Assets in 2011, and has since used them as the office premises for Power Generation Group, the Company's subsidiary. As of 31 August 2025, the original book value of the Target Assets was RMB164.00 million, and the net book value was RMB27.2957 million.

4. Specific information on the transaction subject

The book value of the financial statements of the Target Assets for the most recent year and period is as follows:

Unit: RMB0'000

Name of the Target Assets	Property and ancillary facilities at No. 188, Linchun Road, Minhang District, Shanghai	
Type of the Target Assets	Non-equity assets	
Specific type of the Target Assets	☑ Property and land □ Machinery and equipment □ Creditor's rights □ Assets group □ Others	
Item	**31 August 2025**	**31 December 2024**
Original book value	16,400	16,400
Accrued depreciation and amortization	13,670.43	13,158.64
Provision for impairment	-	-
Net book value	2,729.57	3,241.36
The above information has been audited or not	☑ Yes □ No	

IV. Appraisal and Pricing of the Transaction Subject

(I) Pricing and basis

1. Pricing method and result of the Transaction

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

2. Specific appraisal and pricing of the Target Assets

Name of Target Assets	Property and ancillary facilities at No. 188, Linchun Road, Minhang District, Shanghai
Pricing method	☐ Negotiated pricing ☐ Pricing based on appraisal or valuation results ☑ Determined through public tender, with the tender price based on the appraisal results ☐ Others
Transaction price	☐ Determined ☑ Not determined
Appraisal/Valuation base date	31 August 2025
Appraisal/Valuation results adopted	□ Asset-based approach □ Income approach ☑ Market approach □ Others
Final appraisal/valuation conclusion	Appraised value: RMB166.3406 million Appraisal appreciation rate: 509.40%
Name of appraisal/valuation institution	Vocation (Beijing) International Assets Appraisal Co., Ltd. (沃克森（北京）國際資產評估有限公司)

3. Major appraisal assumptions

(1) Transaction assumption

Transaction assumption assumes that the target to be appraised and the assets to be valued are already in the process of transaction and the valuer carries out the valuation based on a simulated market, taking into account the transaction conditions. Transaction assumption is the most fundamental assumption for the valuation of assets.

(2) Open market assumption

Open market assumption assumes that both parties of the assets transaction or the proposed assets transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the assets. The open market assumption is based on the fact that the assets can be traded openly in the market.

(3) Continuous use assumption for assets

Continuous use assumption for assets assumes that the appraisal methods, parameters and bases are to be determined in accordance with the condition that the assets being appraised will continue to be used in line with their current function, method of use, scale, frequency and environment, or used on the basis of changes.

V. Main Content and Arrangement for the Transaction Contract or Agreement

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, with the initial tender price of RMB166.3406 million. The announcement period for tender on the United Assets and Equity Exchange is

20 business days.

The principal terms proposed for the transfer through public tender are as follows:

The consideration for the property rights transaction shall be paid in a lump sum. Upon being confirmed as the transferee, the interested transferee shall enter into the property ownership transaction contract with the Company within five business days. The transferee shall pay the consideration for the transaction and the service fees, excluding the deposit, to the account designated by the United Assets and Equity Exchange within five business days from the date of entering into the Property Ownership Transaction Contract. The United Assets and Equity Exchange will transfer the consideration for the transaction in full to the bank account designated by the transferor within three business days after the United Assets and Equity Exchange issues a property ownership transaction certificate and upon the Company's application. Within 180 business days after receiving full payment, the Company shall enter into the Property Purchase and Sales Agreement with the transferee. Subsequently, both parties shall handle the property transfer procedures in accordance with the requirements specified in the disclosure announcement. After the change of ownership procedures for property management and public utilities (including but not limited to water, electricity, gas, telephone, television, internet), the property shall be handed over in its current condition within ten business days.

VI. Impact of the Sale of Assets on the Company

According to the preliminary calculation by the financial department of the Company, if the Transaction is completed at the initial tender price, it is expected to increase the Company's net profit attributable to the parent company by approximately RMB105.00 million, which is subject to the results confirmed by the auditor upon completion of the audit.

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 fulfill its information disclosure obligations in a timely manner.

Shareholders and potential investors of the Company are advised to exercise caution when trading the Company's securities.

By Order of the Board
Shanghai Electric Group Company Limited
HU Xupeng
Joint Company Secretary

Shanghai, the PRC, 30 December 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. LIU Yunhong, Dr. DU Zhaohui and Dr. CHEN Xinyuan.

** For identification purpose only*