THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Electric Group Company Limited, you should at once hand this circular and the forms of proxy to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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上海电气* SHANGHAI ELECTRIC

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)

ELECTION OF NEW SESSION OF BOARD OF DIRECTORS

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms used in this circular have the meanings set out in the section headed "Definitions" of this circular. A letter from the Board is set out on pages 1 to 5 of this circular.

A notice convening the EGM of the Company to be held at 2:00 p.m. on Monday, 26 January 2026 at Reporting Hall, 2/F, Block A, No. 212, Qinjiang Road, Shanghai, the PRC is set out on pages 6 to 8 of this circular.

A form of proxy for use at the EGM has been published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) on Monday, 5 January 2026. If you intend to appoint a proxy to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending the EGM and voting in person if you so wish.

5 January 2026

* *For identification purposes only*

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Unless the context otherwise requires, the following expressions in this circular shall have the following meanings:

"A Share(s)"	the domestic ordinary share(s) of nominal value RMB1.00 each in the share capital of the Company, which are listed on the Shanghai Stock Exchange and traded in RMB;
"Board"	the board of directors of the Company;
"Company"	Shanghai Electric Group Company Limited, a joint stock limited company duly incorporated in the PRC with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange under stock code 02727 and the A Shares of which are listed on the Shanghai Stock Exchange under stock code 601727;
"Director(s)"	the director(s) of the Company;
"EGM"	the extraordinary general meeting of the Company to be convened at 2:00 p.m. on Monday, 26 January 2026 at Reporting Hall, 2/F, Block A, No. 212, Qinjiang Road, Shanghai, the PRC;
"H Share(s)"	the H share(s) , being the overseas listed foreign share(s) issued, in the capital of the Company with a RMB denominated par value of RMB1.00 each and are listed on the main board of the Hong Kong Stock Exchange;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"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;
"PRC" or "China"	the People's Republic of China, but for the purposes of this circular only, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan;
"RMB"	Renminbi, the lawful currency of the PRC;

"Share(s)"	the ordinary share(s) of nominal value RMB1.00 each in the share capital of the Company, including both A Share(s) and H Share(s); and
"Shareholder(s)"	the shareholder(s) of the Company, including holder(s) of both A Share(s) and H Share(s).

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)

Executive Directors:
Dr. WU Lei
Mr. ZHU Zhaokai
Mr. WANG Chenhao

Non-executive Directors:
Mr. SHAO Jun
Ms. LU Wen

Independent Non-executive Directors:
Dr. LIU Yunhong
Dr. DU Zhaohui
Dr. CHEN Xinyuan

Registered office:
No. 16 Lane 1100 Huashan Road
Shanghai, the PRC

Principal place of business in Hong Kong:
Room 901–903
Tower Two, Lippo Centre
89 Queensway
Hong Kong

5 January 2026

To the Shareholders

Dear Sirs or Madams,

ELECTION OF NEW SESSION OF BOARD OF DIRECTORS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The purpose of this circular, of which this letter forms a part, is to give you a notice of the EGM, and to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

At the EGM, the following ordinary resolutions will be proposed for Shareholders to consider and approve, among other things, (i) the resolution regarding the election of Directors (excluding independent non-executive Directors) of the sixth session of the Board of the Company; and (ii) the resolution regarding the election of independent non-executive Directors of the sixth session of the Board of the Company.

II. ELECTION OF NEW SESSION OF THE BOARD

Reference is made to the announcement of the Company dated 30 December 2025, in relation to the election of the new session of the Board.

The Board of the Company agreed to nominate Dr. WU Lei and Mr. ZHU Zhaokai as candidates for executive Directors of the sixth session of the Board of the Company; to nominate Ms. LU Wen and Mr. ZHU Jiaqi as candidates for non-executive Directors of the sixth session of the Board of the Company; and to nominate Dr. LIU Yunhong, Dr. DU Zhaohui and Dr. CHEN Xinyuan as candidates for independent non-executive Directors of the sixth session of the Board of the Company (collectively, the "**Director Candidates**"). The biographies of the Director Candidates are set out in the Appendix I to this circular.

The election of the new session of the Board is subject to the approval of the general meeting of the Company and will be elected by cumulative voting. After the aforesaid Director Candidates are elected as Directors at the general meeting of the Company, they will form the sixth session of the Board of the Company together with the employee Director elected through democratic election, and their term of office will be three years, commencing from the date of approval by the general meeting of the Company. Among them, Dr. LIU Yunhong, an independent non-executive Director candidate, had served as an independent non-executive Director of the Company since 25 November 2020. In accordance with the provisions of laws, regulations and normative documents applicable in the place where the Shares of the Company are listed that the continuous tenure of an independent non-executive director shall not exceed six years, his term of office will be from the date of approval by the general meeting of the Company to 24 November 2026.

As of the date of this circular and to the best knowledge of the Board, save as disclosed herein, none of the Director Candidates held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years. As of the date of this circular, save as disclosed herein, none of the Director Candidates had any other relationships with any Directors, senior management or substantial Shareholders of the Company. None of the Director Candidates held any interests in the Shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)). In relation to the appointments of the Director Candidates, save as disclosed herein, there was no information required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules, nor were there any other matters that need to be brought to the attention

of the Shareholders of the Company. None of the Director Candidates were subject to any penalties imposed by the China Securities Regulatory Commission or other relevant authorities or any disciplinary actions by the stock exchanges in the past three years.

Upon the appointment, the Company will enter into a service contract with each of the above Director Candidates. Upon appointment, the remuneration for each executive Director will be determined based on various factors, including the operating results of the Company, their duties and responsibilities, individual performance and market conditions; all non-executive Directors shall not receive remuneration from the Company; the remuneration for each independent non-executive Director shall be RMB250,000 per annum. The above independent non-executive Director candidates were selected by the Company after considering the diversity of the Board members from several aspects, including but not limited to age, cultural and educational background, professional skills and knowledge, and their experience and contributions to be provided to the Board.

As of the date of this circular and to the best knowledge of the Board, the Board is of the view that each independent non-executive Director Candidate complied with the independence guidelines under Rule 3.13 of the Listing Rules and is independent pursuant to the terms of the guidelines. Specifically, each of Dr. LIU Yunhong, Dr. DU Zhaohui and Dr. CHEN Xinyuan has confirmed that:

(1) he has satisfied the independence requirements in relation to each of the factors set out in Rules 3.13(1) to (8) of the Listing Rules;

(2) he has no past or present financial or other interests in the business of the Company or its subsidiaries, nor was he connected with any core connected persons (as defined in the Listing Rules) of the Company; and

(3) there are no other factors which may affect their independence.

Due to the election of the new session of the Board, among the non-executive Directors of the Company, Mr. SHAO Jun will no longer serve as a Director of the Company or serve any position in the Board committees of the Company from the date of election of the sixth session of the Board of the Company at the general meeting of the Company. Mr. SHAO Jun has confirmed that he had no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the Shareholders of the Company or the Hong Kong Stock Exchange.

The aforesaid resolutions were considered and approved by the Board on 30 December 2025 and are hereby proposed at the EGM for consideration and approval. The resolutions are ordinary resolutions, and a cumulative voting system will be adopted. The illustration on the adoption of cumulative voting system in the election of directors (excluding independent non-executive directors) and independent non-executive directors is set out in the Appendix II to this circular.

III. EGM

The EGM will be held at 2:00 p.m. on Monday, 26 January 2026 at Reporting Hall, 2/F, Block A, No. 212, Qinjiang Road, Shanghai, the PRC, and the notice convening the meeting is set out on pages 6 to 8 of this circular.

In order to determine the list of Shareholders who are entitled to attend the EGM, the register of members of the H Shares will be closed from Wednesday, 21 January 2026 to Monday, 26 January 2026 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of H Shares whose names appear on the Company's register of members on Monday, 26 January 2026 are entitled to attend the EGM.

In order to qualify for attending and voting at the EGM, holders of H Shares whose transfers have not been registered must deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Tuesday, 20 January 2026, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Form of proxy for use at the EGM have been published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) on Monday, 5 January 2026 and dispatched to the Shareholders. In order to be valid, the form of proxy together with the power of attorney or other authorization document (if any) signed by the authorised person or notarially certified power of attorney must be deposited to Computershare Hong Kong Investor Services Limited for holders of H Shares at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude a Shareholder from attending and voting in person at the EGM if he/she so wishes.

None of the Shareholders has a material interest in any of the resolutions to be proposed at the EGM and thus is required to abstain from voting at the EGM on the resolutions.

IV. RECOMMENDATION

The Directors are of the view that the resolutions contained in this circular are in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

V. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, resolutions at the EGM will be taken by way of poll.

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

Shanghai, the PRC

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Shanghai Electric Group Company Limited (the "**Company**") will be held at 2:00 p.m. on Monday, 26 January 2026 at Reporting Hall, 2/F, Block A, No. 212, Qinjiang Road, Shanghai, the PRC for the purpose of considering and, if thought fit, approving the following resolutions:

ORDINARY RESOLUTIONS (CUMULATIVE VOTING)

1. To consider and approve the resolution regarding the election of directors (excluding independent non-executive directors) of the sixth session of the board (the "**Board**") of directors (the "**Director(s)**") of the Company, including:

   1.01 To consider and approve the election of Dr. WU Lei as an executive Director;

   1.02 To consider and approve the election of Mr. ZHU Zhaokai as an executive Director;

   1.03 To consider and approve the election of Ms. LU Wen as a non-executive Director; and

   1.04 To consider and approve the election of Mr. ZHU Jiaqi as a non-executive Director.

2. To consider and approve the resolution regarding the election of independent non-executive Directors of the sixth session of the Board of the Company, including:

   2.01 To consider and approve the election of Dr. LIU Yunhong as an independent non-executive Director;

   2.02 To consider and approve the election of Dr. DU Zhaohui as an independent non-executive Director; and

2.03 To consider and approve the election of Dr. CHEN Xinyuan as an independent non-executive Director.

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

Shanghai, the PRC, 5 January 2026

As at the date of this notice, 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*

Notes:

1. The voting at the EGM shall be conducted by way of poll. For details of the resolutions proposed at the EGM for consideration and approval, please refer to the circular of the Company dated 5 January 2026 in respect of the EGM.

2. The holders of A Shares and H Shares will vote as one class of shareholders. The register of members of the H Shares will be closed from Wednesday, 21 January 2026 to Monday, 26 January 2026 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of H Shares whose names appear on the Company's register of members on Monday, 26 January 2026 are entitled to attend the EGM. In order to qualify for attending the EGM, holders of H Shares whose transfers have not been registered must deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, no later than 4:30 p.m. on Tuesday, 20 January 2026, The address of Computershare Hong Kong Investor Services Limited is Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

3. Each Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not be a Shareholder. Each Shareholder who wishes to appoint one or more proxies should first review the circular of the Company in respect of the EGM.

   Resolutions numbered 1 and 2 are ordinary resolutions to be passed by more than half of the total number of Shares held by the Shareholders entitled to vote and attending the EGM, and a cumulative voting system will be adopted, i.e. each Share held by a Shareholder is entitled to the same number of votes as the number of persons to be elected, and the voting rights held by the Shareholders can be utilized in a centralized manner. Specifically, (1) when electing directors (excluding independent non-executive directors), each Shareholder shall be entitled to such number of votes as shall be equal to the number of Shares held by him/her multiplied by the total number of directors (excluding independent non-executive directors) upon whom he/she can vote. Each Shareholder may vote for one particular director (excluding independent non-executive director) candidate, or different director (excluding independent non-executive director) candidates in any combination; (2) when electing independent non-executive directors, each Shareholder shall be entitled to such

number of votes as shall be equal to the number of Shares held by him/her multiplied by the total number of independent non-executive directors upon whom he/she can vote. Each Shareholder may vote for one particular independent non-executive director candidate or different independent non-executive director candidates in any combination.

4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorised in writing. If the Shareholder is a corporation, that instrument must be either under its common seal or under the hand of its director(s) or duly authorised attorney(s). If that instrument is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.

5. In order to be valid, the form of proxy together with the power of attorney or other authorisation document (if any) signed by the authorised person or notarially certified power of attorney must be deposited at Computershare Hong Kong Investor Services Limited for holders of H Shares at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM if he/she so wishes.

6. The EGM is expected to last for no more than half a day. Shareholders (or their proxies) attending the meeting are responsible for their own transportation and accommodation expenses. Shareholders (or their proxies) attending the meeting shall produce their identity documents.

7. All times refer to Hong Kong local time, except as otherwise stated.

Executive Director Candidates

Dr. WU Lei (吳磊), aged 48, is currently the secretary of the Party Committee, a Director and chairman of the Board of the Company, the secretary of the Party Committee and chairman of the board of directors of Shanghai Electric Holding Group Co., Ltd. (上海電氣控股集團有限公司), the chairman of the board of directors of Shanghai Mitsubishi Elevator Co. Ltd. (上海三菱電梯有限公司), the chairman of the board of directors of Mitsubishi Electric Shanghai Mechanical & Electrical Elevator Co., Ltd. (三菱電機上海機電電梯有限公司), and a deputy to the 16th Shanghai Municipal People's Congress. Dr. WU served as the deputy general manager of SAIC Motor Manufacturing Co., Ltd. (上汽汽車製造有限公司), assistant to chairman of SAIC Motor Corporation Limited (上海汽車集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600104), deputy general manager of Volkswagen Transmission (Shanghai) Co., Ltd. (大眾汽車變速器(上海)有限公司), executive director of the finance department of Shanghai Automotive Industry Corporation (Group) (上海汽車工業(集團)總公司), member of the disciplinary inspection committee and chief financial officer of Shanghai Automotive Industry Corporation (Group), vice president of SAIC Motor Corporation Limited, deputy head of planning department at the Ministry of Industry and Information Technology of China (國家工業和信息化部規劃司) (temporary post), deputy director of Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會), director of Shanghai Municipal Office of National Defense Science and Technology Industry (上海市國防科技工業辦公室) and executive deputy director of Shanghai Municipal Office of Commission for Integrated Military and Civilian and Development (上海市委軍民融合發展委員會辦公室) (Bureau-head level). Dr. WU obtained a doctor's degree in management and is a professor-level senior engineer.

Mr. ZHU Zhaokai (朱兆開), aged 57, currently serves as the deputy secretary of the Party Committee, a Director and the president of the Company, a director of Shanghai Electric Holding Group Co., Ltd. Mr. ZHU served as the deputy secretary of the Party Committee and secretary of Commission for Discipline Inspection of the turbine factory of Shanghai Electric Power Generation Equipment Co., Ltd. (上海電氣電站設備有限公司汽輪機廠) and Shanghai Turbine Works Co., Ltd. (上海汽輪機廠有限公司), the secretary of the Party Committee and an executive director of the turbine factory of Shanghai Electric Power Generation Equipment Co., Ltd. and Shanghai Turbine Works Co., Ltd., the head of the human resources department of Shanghai Electric (Group) Corporation (上海電氣(集團)總公司), the secretary of the Party Committee of Shanghai Electric Power Generation Group (上海電氣電站集團), the chairman of labor union of the Company, the chairman of labor union of Shanghai Mechanical and Electrical Union (上海市機電工會), president of the Party School of Shanghai Electric (Group) Corporation and dean of Shanghai Electric Li Bin Technician College. Mr. ZHU graduated from Hefei University of Technology with a bachelor's degree in engineering and from Shanghai Jiao Tong University with a master's degree in business administration. Mr. ZHU is a professor-level senior economist.

Non-executive Director Candidates

Ms. LU Wen (陸雯), aged 49, is currently a Director of the Company, the vice president and employee director of Shanghai State-owned Capital Investment Co., Ltd. (上海國有資本投資有限公司), a director of Arcplus Group PLC (華東建築集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600629), the chairlady of board of directors of Shanghai Futeng Private Equity Fund Management Co., Ltd. (上海孚騰私募基金管理有限公司), the chairlady of board of directors of Comprehensive Reform Experimental Enterprise Management (Shanghai) Co., Ltd. (綜改試驗企業管理(上海)有限公司), a supervisor of Shanghai Guotou Pioneer Private Equity Fund Management Co., Ltd. (上海國投先導私募基金管理有限公司), the executive director and president of Shanghai Guotou Capital Management Co., Ltd. (上海國投資本管理有限公司), the chairlady of board of directors of Shanghai State-owned Capital Investment FOF Co., Ltd. (上海國有資本投資母基金有限公司), and a director of Shanghai Huichuang Linghang Investment Development Co., Ltd. (上海匯創領航投資發展有限公司). Ms. LU served as an audit manager of PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所), vice president of Shanghai Lingang Fengxian Economic Development Co., Ltd. (上海臨港奉賢經濟發展有限公司), vice president of Shanghai Industrial Zone Development General Company (上海市工業區開發總公司), executive vice president of Shanghai Lingang Economic Development (Group) Investment Management Co., Ltd. (上海臨港經濟發展集團投資管理有限公司), the director, executive vice president and the board secretary of Shanghai Lingang Holdings Co., Ltd. (上海臨港控股股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600848), the director of the investment development department and the investment management department of Shanghai Lingang Economic Development (Group) Co., Ltd. (上海臨港經濟發展(集團)有限公司). Ms. LU holds a master's degree in accounting and is a certified public accountant.

Mr. ZHU Jiaqi (朱佳琪), aged 45, is currently the deputy general manager (in charge of the work) of the investment management department and the deputy director of the hydrogen energy office of Shenergy (Group) Company Limited (申能(集團)有限公司). Mr. ZHU served as the deputy section chief of the mechanical section I of the mechanical department of East China Electric Power Design Institute (華東電力設計院), the assistant to chief design engineer and senior engineer of the power generation engineering management department of East China Electric Power Design Institute, the assistant to chief design engineer and chief design engineer of the market and project management department of East China Electric Power Design Institute Co., Ltd. (華東電力設計院有限公司), the deputy manager of the investment department of Shenergy Co., Limited (申能股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600642), the deputy general manager of Shanghai Waigaoqiao No. 3 Power Plant Co., Ltd. (上海外高橋第三發電有限責任公司), the Party branch secretary and general manager of Shanghai Sheneng New Power Energy Storage R&D Co., Ltd. (上海申能新動力儲能研發有限公司), the general manager of Shanghai Sheneng Investment Development Co., Ltd. (上海申能投資發展有限公司), the deputy Party branch secretary of Shenergy New Energy (申能股份新興能源), and the deputy general manager of the investment management department of Shenergy (Group) Company Limited. Mr. ZHU holds a master's degree in engineering and is a senior engineer.

Independent Non-executive Director Candidates

Dr. LIU Yunhong (劉運宏), aged 49, currently serves as an independent non-executive Director of the Company, the deputy head of the Institute of International M&A and Investment of Renmin University of China, the head of Foresea Life Insurance (Shanghai) Research Institute, an independent director of Sinolink Securities Co., Ltd. (國金證券股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600109), an independent director of Shanghai Rural Commercial Bank Co., Ltd. (上海農村商業銀行股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601825), doctoral supervisor of economic law at East China University of Political Science and Law. Dr. LIU served as the head of Legal and Compliance Division of Guotai Asset Management Co., Ltd. (國泰基金管理有限公司), did post-doctoral research work at the Shanghai Stock Exchange, served as general manager of investment banking department of Aerospace Securities Co., Ltd. (航天證券有限責任公司) and successively served as the general manager of the investment banking department and the assistant to president of Hwabao Securities Co., Ltd. (華寶證券有限責任公司). In the past three years, Dr. LIU has served as an independent non-executive director of Everbright Securities Company Limited (光大證券股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601788; and the Hong Kong Stock Exchange, stock code: 06178) and an independent director of Bank of Guiyang Co., Ltd. (貴陽銀行股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 601997). Dr. LIU graduated from Renmin University of China and obtained a doctorate's degree in law, and is a postdoctoral fellow in economics and law and a research fellow.

Dr. DU Zhaohui (杜朝輝), aged 61, currently serves as an independent non-executive Director of the Company, the Distinguished Professor of the School of Mechanical and Power Engineering of Shanghai Jiao Tong University. Dr. DU is also the executive director of the Chinese Dynamic Engineering Society (中國動力工程學會), and chairman of the Shanghai Engineering Thermophysics Society (上海市工程熱物理學會). Dr. DU was a postdoctoral researcher and guest researcher at Tokyo University in Japan, Seoul National University in Korea, and the University of Illinois Urbana-Champaign in the U. S. and was the executive vice dean of the Graduate School and the secretary of the Party Committee and dean of the School of Mechanical and Power Engineering of Shanghai Jiao Tong University. Dr. DU is engaged in the theoretical and experimental research on power machinery. Dr. DU has presided over more than 30 projects of the National Natural Science Foundation of China, major projects of the National Defense Basic Research Program, national key R&D projects, international and corporate research cooperation projects, etc. Dr. DU has published more than 120 papers, and has been granted 15 national invention patents and received the second prize of the National Achievement of Education Award and the first prize of the Shanghai Technological Invention Award, among other prizes. Dr. DU graduated from Northwestern Polytechnical University and holds a doctorate degree in engineering.

Dr. CHEN Xinyuan (陳信元), aged 61, currently serves as an independent non-executive Director of the Company, a professor of accounting and the dean of the School of Advanced Accounting and Auditing at Shanghai University of Finance and Economics, is concurrently the director of the Guiding Committee on Education of Accounting of the Ministry of Education (教育部會計學教學指導委員會), the vice president of the Accounting Society of China (中國會計學會) and the president of the Accounting Society of Shanghai (上海市會計學會), and is currently an independent non-executive director of Semiconductor Manufacturing International Corporation (中芯國際集成電路製造有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688981; and the Hong Kong Stock Exchange, stock code: 00981). Dr. CHEN was formerly the vice president and the dean of the School of Accounting at the Shanghai University of Finance and Economics. Dr. CHEN has expertise in finance and accounting, auditing and risk management, and corporate governance. Dr. CHEN has been awarded the honorary titles of the first Outstanding Faculty Award of the Ministry of Education, the National "May 1" Labour Medal, Shanghai Model Worker, Shanghai Outstanding Communist Party Member, etc., and has been selected in the national "New Century Talents Project". Dr. CHEN graduated from Shanghai University of Finance and Economics with a master's degree and a doctorate degree in Economics (Accounting), and is a distinguished professor of the Ministry of Education's "Changjiang Scholars Program" and an expert with special allowances of the State Council.

I. The election of directors (excluding independent non-executive directors) and the election of independent non-executive directors from respective candidates at the general meeting will be respectively numbered as separate groups of resolutions. Investors shall vote on each candidate under each group of resolutions.

II. The number of shares declared shall represent the votes to be cast for the elections. For each group of resolutions, the total number of votes to which a shareholder is entitled for each share held by himself/herself shall be equal to the number of directors to be elected under that particular group of resolutions. If a shareholder holds 100 shares of a listed company, and there are 10 directors to be elected at the general meeting with 12 candidates taking part in the election of directors, such shareholder shall be entitled to a total number of 1,000 votes in respect of that particular group of resolutions on the election of directors.

III. Voting of shareholders shall be confined to the number of votes to which he/she is entitled in respect of each group of resolutions. Shareholders may cast their votes at their own discretion by casting his/her votes on one candidate or on different candidates in any combination. Upon completion of the voting, the votes will be counted cumulatively in respect of each of the resolutions.

IV. Illustration:

A listed company convenes a general meeting for the election of members of the board of directors by way of cumulative voting system, and there are six candidates to be elected for five positions as directors (excluding independent non-executive directors), and three candidates for two positions as independent non-executive directors. The matters required to be voted by poll are as follows:

Resolutions effected by cumulative voting		
4.00	Resolution on the election of directors (excluding independent non-executive directors)	Number of votes
4.01	e.g. CHEN × ×	
4.02	e.g. ZHAO × ×	
4.03	e.g. JIANG × ×	
……	……	
4.06	e.g. SONG × ×	
5.00	Resolution on the election of independent non-executive directors	Number of votes
5.01	e.g. ZHANG × ×	
5.02	e.g. WANG × ×	
5.03	e.g. YANG × ×	

If an investor holds 100 shares in the company on the record date, under cumulative voting system, he/she will be entitled to 500 votes for resolution No. 4.00 titled "Resolution on the election of directors (excluding independent non-executive directors)" and 200 votes for resolution No. 5.00 titled "Resolution on the election of independent non-executive directors".

Such investor may cast a maximum of 500 votes on resolution No. 4.00 at his/her own discretion in favour of one candidate or different candidates in any combination.

As shown in the table below:

No	Name of Resolution	Number of votes			
		Method 1	Method 2	Method 3	Method...
4.00	Resolution on the election of directors (excluding independent non-executive directors)	–	–	–	–
4.01	e.g. CHEN ××	500	100	100	
4.02	e.g. ZHAO ××	0	100	50	
4.03	e.g. JIANG ××	0	100	200	
……	……	…	…	…	
4.06	e.g. SONG ××	0	100	50	