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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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)

PROPOSED APPOINTMENT OF NON-EXECUTIVE 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 Tuesday, 24 March 2026 at Reporting Hall, 2/F, Block A, No. 212, Qinjiang Road, Shanghai, the PRC is set out on pages 6 to 7 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 Thursday, 5 March 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 March 2026

* *For identification purposes only*

CONTENTS

Page

Definitions ii

Letter from the Board 1

Notice of Extraordinary General Meeting 6

APPENDIX – ILLUSTRATION ON THE ADOPTION OF CUMULATIVE VOTING SYSTEM IN THE ELECTION OF DIRECTORS (EXCLUDING INDEPENDENT NON-EXECUTIVE DIRECTORS) AND INDEPENDENT NON-EXECUTIVE DIRECTORS 8

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 Tuesday, 24 March 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);
"Shareholder(s)"	the shareholder(s) of the Company, including holder(s) of both A Share(s) and H Share(s); and
"%"	per cent.

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:
Ms. LU Wen
Mr. ZHU Jiaqi

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 March 2026

To the Shareholders

Dear Sirs or Madams,

PROPOSED APPOINTMENT OF NON-EXECUTIVE 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 resolution at the EGM.

At the EGM, the following ordinary resolution will be proposed for Shareholders to consider and approve, among other things, the resolution regarding the election of non-executive Directors of the Company.

II. PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Reference is made to the announcement of the Company dated 5 March 2026, in relation to the resignation of non-executive Director and nomination of candidates for non-executive Directors.

The Board of the Company has approved to nominate Ms. ZHU Yun ("**Ms. ZHU**") as a candidate for non-executive Director of the sixth session of the Board of the Company. The term of office of Ms. ZHU will be from the date on which her appointment is approved at the general meeting to the end of the term of the sixth session of the Board. It was agreed that Ms. ZHU will serve as the deputy chairlady and a member of the audit committee and a member of the nomination committee of the Board of the Company after she formally commences her term of office as a non-executive Director of the Company.

It was agreed to nominate Mr. CAO Qingwei ("**Mr. CAO**") as a candidate for non-executive Director of the sixth session of the Board of the Company. The term of office of Mr. CAO will be from the date on which his appointment is approved at the general meeting to the end of the term of the sixth session of the Board.

The biography of Ms. ZHU is as follows:

Ms. ZHU Yun, aged 53. She served as deputy director of the Comprehensive Economic Audit Division at the Audit Bureau of Pudong New Area, Shanghai (上海市浦東新區審計局), deputy mayor of Gaoqiao Town, Pudong New Area, Shanghai, director of the Investment and Construction Audit Division (Resources and Environmental Protection Audit Division) at the Audit Bureau of Pudong New Area, Shanghai, deputy director of the Audit Bureau of Pudong New Area, Shanghai, mayor of Zhoupu Town, Pudong New Area, Shanghai, general manager and director of Shanghai Pudong Kechuang Group Co., Ltd. (上海浦東科創集團有限公司), deputy general manager of Shanghai S&T Venture Capital (Group) Co., Ltd. (上海科技創業投資(集團)有限公司), and chief auditor of Shanghai State-owned Capital Investment Co., Ltd. (上海國有資本投資有限公司). She graduated from East China Normal University, holds a master's degree in public administration and is a senior auditor.

The biography of Mr. CAO is as follows:

Mr. CAO Qingwei, aged 56, currently serves as investment director of Shanghai State-owned Capital Investment Co., Ltd., executive director and general manager of Shanghai State-owned Capital Investment Sci-Tech Investment Co., Ltd. (上海國投科創投資有限公司), executive director of Shanghai Dingyu Henghe Enterprise Development Co., Ltd. (上海鼎昱恒和企業發展有限公司), executive director of Shanghai Puxin Hengyi Enterprise Development Co., Ltd. (上海浦新恒翊企業發展有限公司), executive director of Shanghai Pucheng Investment Development Co., Ltd. (上海浦誠投資發展有限公司), director of Shanghai International Port (Group) Co., Ltd. (上海國際港務(集團)股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600018), director of Shanghai International Airport Co., Ltd. (上海國際機場股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600009), director of China Marine Engineering Equipment Technology Development Co., Ltd. (中國海洋工程裝備技術發展有限公司), and director of China Fusion Energy Co., Ltd. (中國聚變能源有限公司). He served as deputy general manager of the Trading Department at Shanghai United Assets and Equity Exchange (上海聯合產權交易所), director of the Property Rights Management Office (Capital Operations Management Office) at the State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government (上海市國有資產監督管理委員會), and executive director and general manager of Shanghai Guotou Capital Management Co., Ltd. (上海國投資本管理有限公司). He graduated from Huazhong University of Science and Technology, holds a master's degree in business administration.

As at the date of this circular and to the best knowledge of the Board, save as disclosed in this circular, (i) Ms. ZHU and Mr. CAO did not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) Ms. ZHU and Mr. CAO do not have any other relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company, nor have they held any position in the Company or any of its subsidiaries; and (iii) Ms. ZHU and Mr. CAO do not have any interest in the shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

During their term of office as non-executive Directors of the Company, Ms. ZHU and Mr. CAO will not receive remuneration from the Company, respectively. As at the date of this circular, the Company has not yet entered into any director service contract with Ms. ZHU and Mr. CAO.

Save as disclosed above, there is no information relating to the proposed appointment of Ms. ZHU and Mr. CAO which shall be disclosed pursuant to the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules nor any matter which needs to be brought to the attention of the Shareholders of the Company.

The aforesaid resolution was considered and approved by the Board on 5 March 2026 and is hereby proposed at the EGM for consideration and approval. The resolution is an ordinary resolution, 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 to this circular.

III. EGM

The EGM will be held at 2:00 p.m. on Tuesday, 24 March 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 7 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 Thursday, 19 March 2026 to Tuesday, 24 March 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 Tuesday, 24 March 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 Wednesday, 18 March 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 Thursday, 5 March 2026 and dispatched to the Shareholders. In order to be valid, the forms 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 the resolution to be proposed at the EGM and thus is required to abstain from voting at the EGM on the resolution.

IV. RECOMMENDATION

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

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

V. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, the resolution 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 Tuesday, 24 March 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 resolution:

ORDINARY RESOLUTION (CUMULATIVE VOTING)

1. To consider and approve the resolution regarding the election of non-executive Directors of the Company, including:

   1.01 To consider and approve the election of Ms. ZHU Yun as a non-executive Director; and

   1.02 To consider and approve the election of Mr. CAO Qingwei as a non-executive Director.

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

Shanghai, the PRC, 5 March 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 Ms. LU Wen and Mr. ZHU Jiaqi; 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 resolution proposed at the EGM for consideration and approval, please refer to the circular of the Company dated 5 March 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 Thursday, 19 March 2026 to Tuesday, 24 March 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 Tuesday, 24 March 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 Wednesday, 18 March 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.

   The resolution regarding the consideration and approval of the proposed appointment of non-executive Directors is an ordinary resolution 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, when electing 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 non-executive Directors upon whom he/she can vote. Each Shareholder may vote for one particular non-executive Director candidate, or different 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.

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	