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SHANGHAI ELECTRIC GROUP COMPANY LIMITED

上海電氣集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02727)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

PERFORMANCE HIGHLIGHTS

- ▶ **Total revenue of the Company for 2025 was RMB126,679 million, an increase of 9.0% year-on-year**
- ▶ **Profits attributable to owners of the Company for 2025 was RMB1,206 million, an increase of 60.3% year-on-year**
- ▶ **Basic profit per share of the Company for 2025 was RMB0.078 yuan, an increase of 62.5% year-on-year**
- ▶ **New orders for 2025 amounted to RMB172.8 billion, an increase of 12.5% year-on-year**
- ▶ **The Board proposed to declare a final dividend of RMB1.425 cents per share for 2025**

The board of directors (the “**Board**”) of Shanghai Electric Group Company Limited (the “**Company**” or “**Shanghai Electric**”) hereby announces the results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025. The Group’s results have been audited by Ernst & Young Huaming LLP. The annual results of the Company for the year ended 31 December 2025 have been prepared in accordance with China Accounting Standards for Business Enterprises.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2025**

(All amounts in RMB'000 Yuan unless otherwise stated)

ASSETS	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
Current assets			
Cash at bank and on hand		37,308,176	32,569,013
Clearing settlement funds		1,041	1,134
Placements with banks and other financial institutions		17,728,894	26,207,572
Held-for-trading financial assets		8,387,470	7,779,560
Derivative financial assets		14,734	520
Notes receivable		3,180,093	3,169,750
Accounts receivable	3	37,032,557	37,547,437
Receivables financing		2,102,130	1,091,996
Prepayments		11,501,808	11,236,621
Other receivables		3,526,815	5,047,036
Financial assets purchased under resale agreements		2,585,101	2,905,106
Inventories		47,296,351	34,549,775
Contract assets		22,347,381	21,275,139
Non-current assets due within one year		2,150,433	1,551,044
Other current assets		25,944,203	18,857,078
Total current assets		<u>221,107,187</u>	<u>203,788,781</u>
Non-current assets			
Loans and advances		8,708,524	8,694,998
Debt investments		152,040	152,331
Other debt investments		1,260,962	368,431
Long-term receivables		1,755,225	2,332,623
Long-term equity investments		14,664,306	13,816,638
Other non-current financial assets		5,846,082	6,435,416
Investment properties		925,337	1,043,169
Fixed assets		23,336,971	20,896,633
Constructions in progress		5,449,861	3,777,699
Right-of-use assets		2,306,519	1,890,038
Intangible assets		10,909,957	12,020,517
Research and development expenditures		86,683	29,882
Goodwill		3,070,023	2,920,760
Long-term deferred expenses		512,387	473,404
Deferred tax assets		8,278,845	8,690,212
Other non-current assets		16,999,857	15,173,456
Total non-current assets		<u>104,263,579</u>	<u>98,716,207</u>
TOTAL ASSETS		<u>325,370,766</u>	<u>302,504,988</u>

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

CONSOLIDATED BALANCE SHEET (CONT'D)

AS AT 31 December 2025

(All amounts in RMB'000 Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
Current liabilities			
Short-term borrowings		10,066,806	9,548,227
Held-for-trading financial liabilities		38,564	38,531
Derivative financial liabilities		2,386	25,507
Notes payable		16,702,781	15,124,080
Accounts payable	4	70,637,292	60,569,875
Advances from customers		985,368	833,268
Contract liabilities		69,000,076	57,928,502
Deposits from customers, banks and other financial institutions		6,167,406	7,333,529
Employee benefits payable		5,247,768	5,256,409
Taxes payable		2,605,825	2,473,766
Other payables		8,355,843	9,704,410
Non-current liabilities maturing within one year		7,032,995	10,188,235
Other current liabilities		12,434,453	11,467,275
Total current liabilities		209,277,563	190,491,614
Non-current liabilities			
Long-term borrowings		25,835,719	27,682,117
Bonds payable		2,997,452	-
Lease liabilities		1,793,077	1,463,726
Long-term payables		1,063,791	535,827
Deferred income		1,141,957	1,210,875
Long-term employee benefits payable		180,141	180,065
Provisions		2,447,630	2,832,979
Deferred tax liabilities		648,569	714,141
Other non-current liabilities		78,113	13,325
Total non-current liabilities		36,186,449	34,633,055
Total liabilities		245,464,012	225,124,669
Owners' equity			
Share capital		15,540,122	15,579,809
Capital surplus		18,998,926	18,727,393
Other comprehensive income		129,282	71,417
Special reserve		132,699	123,825
Surplus reserve		6,044,402	5,963,972
Retained earnings		13,849,289	12,723,500
Total equity attributable to equity owners of the Company		54,694,720	53,189,916
Minority interests		25,212,034	24,190,403
Total owners' equity		79,906,754	77,380,319
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		325,370,766	302,504,988

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 December 2025

(All amounts in RMB'000 Yuan unless otherwise stated)

	Notes	For the year ended 31 December	
		2025 RMB'000	2024 RMB'000
Total revenue		126,678,586	116,186,116
Including: Operating revenue	5	125,958,695	115,456,181
Interest income	5	717,022	726,357
Income from handling charges and commissions	5	2,869	3,578
Total cost of sales		(123,455,089)	(112,369,793)
Including: Operating cost	5	(103,888,307)	(94,525,076)
Interest expenses	5	(72,806)	(98,265)
Handling charges and commissions expenses	5	(720)	(836)
Taxes and surcharges		(753,858)	(662,319)
Selling and distribution expenses		(3,299,277)	(2,900,659)
General and administrative expenses		(8,445,940)	(7,963,777)
Research and development expenditures		(6,164,014)	(5,664,514)
Financial expenses - net		(830,167)	(554,347)
Including: Interest expenses		(1,289,002)	(1,561,315)
Interest income		574,064	1,005,414
Add: Other income		1,433,263	1,414,214
Investment income		2,469,074	2,155,442
Including: Share of profit of associates and joint ventures		1,768,865	1,331,529
Gains arising from derecognition of financial assets measured at amortised cost		2,956	4,645
Exchange gains		3,014	9,238
Losses on changes in fair value		(267,601)	(463,561)
Losses from asset impairment		(1,388,984)	(2,199,009)
Losses from credit impairment		(1,030,674)	(1,065,240)
Gains on disposals of assets		505,803	34,377
Operating profits		4,947,392	3,701,784
Add: Non-operating income		163,519	171,234
Less: Non-operating expenses		(88,999)	(133,273)
Total profits		5,021,912	3,739,745
Less: Income tax expenses	6	(1,936,317)	(1,044,335)
Net profits		3,085,595	2,695,410
Including: Net profit of the acquiree in a business combination under common control before the combination date		-	299,884
Attributable to equity owners of the Company		1,206,219	752,480
Minority interests		1,879,376	1,942,930

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

CONSOLIDATED INCOME STATEMENT (CONT'D)
FOR THE YEAR ENDED 31 December 2025

(All amounts in RMB'000 Yuan unless otherwise stated)

	Notes	For the year ended 31 December	
		2025 RMB'000	2024 RMB'000
Other comprehensive income, net of tax		61,414	43,964
Attributable to equity owners of the Company		57,865	49,816
Other comprehensive income that will not be subsequently reclassified to profit or loss		3,189	(4,199)
Changes arising from remeasurement of net liability or net asset of defined benefit plan		3,189	(4,199)
Other comprehensive income that will be subsequently reclassified to profit or loss		54,676	54,015
Changes in fair value of other debt investments		(20,557)	60,909
Provision for impairment of other debt investments and receivables financing		32,714	333
Cash flow hedges, net of tax		1,296	(195)
Exchange differences on translation of foreign operations		35,890	(9,624)
Others		5,333	2,592
Attributable to minority interests		3,549	(5,852)
Total comprehensive income		3,147,009	2,739,374
Attributable to equity owners of the Company		1,264,084	802,296
Attributable to minority interests		1,882,925	1,937,078
Earnings per share	7		
Basic earnings per share (RMB yuan)		0.078	0.048
Diluted earnings per share (RMB yuan)		0.078	0.048

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 December 2025

(All amounts in RMB'000 Yuan unless otherwise stated)

1 Company information

Shanghai Electric Group Company Limited (the “**Company**”) is a joint stock limited liability company established in the People’s Republic of China (the “**PRC**”) on 1 March 2004. The registered office of the Company is located on No. 16, Lane 1100, Huashan Road, Changning District, Shanghai, PRC.

During the year, the Company and its subsidiaries (together the “**Group**”) are engaged in the following principal activities:

(a) the energy equipment segment: 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;

(b) the industrial equipment segment: design, manufacture and sales of elevators, large and medium-sized electric motors, intelligent manufacturing equipment, industrial basic parts and construction industrialization equipment;

(c) the integration services segment: 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 corporate finance, financing leases, commercial factoring, asset management, insurance brokerage, etc.; providing park and property management services mainly based on industrial real estate, etc.

In the opinion of the directors, the parent and the ultimate holding company of the Group is Shanghai Electric Holding Group Co., Ltd. (“**SEGC**”), a state-owned enterprise established in the PRC.

The Company has its ordinary shares listed on both the Stock Exchange of Hong Kong Limited and Shanghai Stock Exchange.

2 Summary of important accounting policies

The main accounting policies used in the preparation of these consolidated financial statements are set out below. Unless otherwise stated, these policies are applied in all reported years. These consolidated financial statements include Shanghai Electric Group Co., Ltd. and its subsidiaries.

2.1 Basis of preparation

The financial statements were prepared in accordance with the *Accounting Standard for Business Enterprises - Basic Standard*, and the specific accounting standards and other relevant regulations (hereafter collectively referred to as “**the Accounting Standards for Business Enterprises**” or “**CAS**”) issued by the Ministry of Finance and in subsequent periods and the disclosure requirements in the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 - General Rules on Financial Reporting* issued by the CSRC.

The financial statements are prepared on a going concern basis.

The new Hong Kong Companies Ordinance came into effect on 3 March 2014. Certain related matters in the financial statements have been disclosed in accordance with the requirements of the Hong Kong Companies Ordinance.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO CONSOLIDATED FINANCIAL INFORMATION(CONT'D)
FOR THE YEAR ENDED 31 December 2025**

(All amounts in RMB'000 Yuan unless otherwise stated)

3 Accounts receivable

	31 December 2025	31 December 2024
Accounts receivable	54,810,769	55,196,640
Less: Provision for bad debts	(17,778,212)	(17,649,203)
	<u>37,032,557</u>	<u>37,547,437</u>

(i) The aging of accounts receivable was analyzed as follows:

	31 December 2025	31 December 2024
Undue	23,091,096	20,316,523
Overdue within 1 year	8,287,332	10,854,691
Overdue 1 year but within 2 years	4,646,754	6,119,012
Overdue 2 year but within 3 years	2,630,070	2,681,025
Overdue 3 year but within 4 years	2,220,749	4,805,595
Overdue 4 year but within 5 years	4,294,992	4,412,705
Overdue over 5 years	9,639,776	6,007,089
	<u>54,810,769</u>	<u>55,196,640</u>

(ii) The aging analysis of accounts receivable according to the date of entry is as follows:

	31 December 2025	31 December 2024
Within 1 year	26,408,936	28,208,987
1 to 2 years	7,134,944	7,017,109
2 to 3 years	3,167,224	3,502,584
3 to 4 years	2,559,992	5,203,788
4 to 5 years	5,175,577	5,132,500
Over 5 years	10,364,096	6,131,672
	<u>54,810,769</u>	<u>55,196,640</u>

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
FOR THE YEAR ENDED 31 December 2025**

(All amounts in RMB'000 Yuan unless otherwise stated)

3 Accounts receivable (Cont'd)

Movements of provision for bad debts of accounts receivable:

Balance on 31 December 2024	17,649,203
Accrual in the current year	1,189,437
Reversal in the current year	(939,512)
Change in the scope of consolidation	(58,358)
Current year write-off	(250,704)
Others	188,146
Balance on 31 December 2025	<u>17,778,212</u>

The ageing of accounts receivable including related party was analysed as follows:

	<u>31 December 2025</u>		<u>31 December 2024</u>	
	Book balance	Bad debt provision	Book balance	Bad debt provision
SEGC	35,531	822	34,882	674
Company controlled by the parent company	1,271,656	31,891	1,351,280	123,201
Joint venture	5,895	-	1,333	-
Associates	566,868	49,585	574,846	49,800
Other affiliated enterprises	47,412	2,521	47,277	2,418
	<u>1,927,362</u>	<u>84,819</u>	<u>2,009,618</u>	<u>176,093</u>

4 Accounts payable

	31 December 2025	31 December 2024
Accounts payable	<u>70,637,292</u>	<u>60,569,875</u>

The aging of accounts payable was analysed as follows:

	31 December 2025	31 December 2024
Within 3 months	46,242,745	40,259,618
Over 3 months but within 6 months	4,567,391	3,144,207
Over 6 months but within 1 year	9,803,960	7,303,506
Over 1 year but within 2 years	3,920,194	4,092,796
Over 2 years but within 3 years	1,741,891	2,053,740
Over 3 years	4,361,111	3,716,008
	<u>70,637,292</u>	<u>60,569,875</u>

As at 31 December 2025, accounts payable with aging over one year amounted to RMB10,023,196 thousand (31 December 2024: RMB9,862,544 thousand), which mainly comprised payables for construction projects and payables for materials. Such accounts are unsettled as the projects are still under construction.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL INFORMATION(CONT'D)

FOR THE YEAR ENDED 31 December 2025

(All amounts in RMB'000 Yuan unless otherwise stated)

4 Accounts payable(Cont'd)

The aging of accounts payable including related party was analysed as follows:

	31 December 2025	31 December 2024
Company controlled by the parent company	149,068	121,402
Joint ventures	-	1,306
Associates	254,926	297,656
Other affiliated enterprises	45,832	69,684
	<u>449,826</u>	<u>490,048</u>

5 Revenue and cost of sales

	For the year ended 31 December 2025	For the year ended 31 December 2024
Revenue from main operations	120,794,135	109,436,027
Revenue from other operations	5,164,560	6,020,154
Interest income	717,022	726,357
Income from handling charges and commissions	2,869	3,578
	<u>126,678,586</u>	<u>116,186,116</u>

	For the year ended 31 December 2025	For the year ended 31 December 2024
Cost of sales from main operations	101,221,886	91,687,743
Cost of sales from other operations	2,666,421	2,837,333
Interest expenses	72,806	98,265
Handling charges and commissions expenses	720	836
	<u>103,961,833</u>	<u>94,624,177</u>

Revenue from main operations includes sales revenue from energy equipment, industrial equipment and integration services. Cost of sales refers to those of products related to main operations.

Details of revenue from main operations are as follows:

	For the year ended 31 December 2025	For the year ended 31 December 2024
Sale of goods	101,313,810	89,168,857
Engineering construction	8,502,098	8,713,287
Rendering of services	10,978,227	11,553,883
	<u>120,794,135</u>	<u>109,436,027</u>

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO CONSOLIDATED FINANCIAL INFORMATION(CONT'D)
FOR THE YEAR ENDED 31 December 2025**

(All amounts in RMB'000 Yuan unless otherwise stated)

5 Revenue and cost of sales(Cont'd)

Details of revenue from other operations are as follows:

	For the year ended 31 December 2025	For the year ended 31 December 2024
Sales of raw materials	3,291,835	4,559,872
Leasing income	501,862	466,000
Finance lease income	87,712	74,017
Rendering of non-industrial services	692,720	253,806
Others	590,431	666,459
	<u>5,164,560</u>	<u>6,020,154</u>

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL INFORMATION(CONT'D)
FOR THE YEAR ENDED 31 December 2025

(All amounts in RMB'000 Yuan unless otherwise stated)

5 Revenue and cost of sales (Cont'd)

	For the year ended 31 December 2025								
	Sales of Goods			Engineering Construction					
	China	Other Asian countries/ geographical areas	Other regions	China	Other Asian countries/ geographical areas	Other regions	Rendering of services	Others	Total
Revenue from main operations	90,141,186	2,358,031	8,814,593	3,873,531	3,542,644	1,085,923	10,978,227	-	120,794,135
Including: Recognised at point of time	90,141,186	2,358,031	8,814,593	-	-	-	944,615	-	102,258,425
Recognised overtime	-	-	-	3,873,531	3,542,644	1,085,923	10,033,612	-	18,535,710
Revenue from other operations	811,456	40,106	2,440,273	-	-	-	692,720	1,180,005	5,164,560
	<u>90,952,642</u>	<u>2,398,137</u>	<u>11,254,866</u>	<u>3,873,531</u>	<u>3,542,644</u>	<u>1,085,923</u>	<u>11,670,947</u>	<u>1,180,005</u>	<u>125,958,695</u>

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

NOTES TO CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
FOR THE YEAR ENDED 31 December 2025

(All amounts in RMB'000 Yuan unless otherwise stated)

5 Revenue and cost of sales (Cont'd)

	For the year ended 31 December 2024								
	Sales of Goods			Engineering Construction					
	China	Other Asian countries/ geographical areas	Other regions	China	Other Asian countries/ geographical areas	Other regions	Rendering of services	Others	Total
Revenue from main operations	78,640,295	2,080,197	8,448,365	4,387,150	3,513,004	813,133	11,553,883	-	109,436,027
Including: Recognised at point of time	78,640,295	2,080,197	8,448,365	-	-	-	1,728,201	-	90,897,058
Recognised overtime	-	-	-	4,387,150	3,513,004	813,133	9,825,682	-	18,538,969
Revenue from other operations	1,159,534	123,510	3,276,828	-	-	-	253,806	1,206,476	6,020,154
	<u>79,799,829</u>	<u>2,203,707</u>	<u>11,725,193</u>	<u>4,387,150</u>	<u>3,513,004</u>	<u>813,133</u>	<u>11,807,689</u>	<u>1,206,476</u>	<u>115,456,181</u>

- (i) In 2025, the Group did not receive any additional rewards for the early completion of labour services. The Group's revenue from sales of materials is recognised at a time point. In addition, there are no material contract changes or transaction price adjustments in the group.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
FOR THE YEAR ENDED 31 December 2025**

(All amounts in RMB'000 Yuan unless otherwise stated)

6. Income tax expenses

	For the year ended 31 December 2025	For the year ended 31 December 2024
Current income tax expenses	1,609,192	1,328,228
Deferred income tax expenses	327,125	(283,893)
	<u>1,936,317</u>	<u>1,044,335</u>

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated income statement to the income tax expenses is listed below:

	For the year ended 31 December 2025	For the year ended 31 December 2024
Total profits	<u>5,021,912</u>	<u>3,739,745</u>
Tax at the statutory tax rate (Note 1)	1,255,478	934,936
Lower tax rates for specific districts or concessions	(609,272)	(353,589)
Adjustments for current income tax of prior periods	29,183	(21,147)
Profits and losses attributable to joint ventures and associates	(396,772)	(326,191)
Income not subject to tax	(77,125)	(64,967)
Expenses not deductible for tax	85,568	67,718
Tax incentives on eligible expenditures	(438,852)	(456,349)
Utilization of previously unrecognised tax losses and deductible temporary differences	(57,247)	(131,543)
Tax losses and deductible temporary differences for which no deferred tax assets was recognised	<u>2,145,356</u>	<u>1,395,467</u>
Income tax expenses	<u>1,936,317</u>	<u>1,044,335</u>

Note 1: The Group's income tax is provided based on estimated taxable income in China and the applicable tax rates. Taxes on income assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED**NOTES TO CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
FOR THE YEAR ENDED 31 December 2025**

(All amounts in RMB'000 Yuan unless otherwise stated)

7. Earnings per share**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing net profit for the current period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding. Newly issued ordinary shares are included in the weighted average number of shares from the date consideration is receivable (which is generally the date of their issue) according to specific terms of the issuance contract.

	For the year ended 31 December 2025	For the year ended 31 December 2024
Consolidated net profits attributable to ordinary shareholders of the parent company	1,206,219	752,480
Weighted average number of ordinary shares outstanding (Unit: 1,000 shares)	<u>15,561,016</u>	<u>15,579,809</u>
Basic earnings per share	<u>RMB0.078 yuan</u>	<u>RMB0.048 yuan</u>
Including:		
- Basic earnings per share from continuing operations:	<u>RMB0.078 yuan</u>	<u>RMB0.048yuan</u>

(b) Diluted earnings per share

Diluted earnings per share is calculated based on adjusted consolidated net profit attributable to common shareholders of the parent company based on diluted potential common shares divided by the adjusted weighted average of the Company's outstanding common shares. There are no potentially dilutive common shares of the Company in 2025. Therefore, diluted earnings per share equals basic earnings per share.

SHANGHAI ELECTRIC GROUP COMPANY LIMITED

**NOTES TO CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
FOR THE YEAR ENDED 31 December 2025**

(All amounts in RMB'000 Yuan unless otherwise stated)

8. Dividends

	For the year ended 31 December 2025	For the year ended 31 December 2024
Proposed final dividends - RMB0.01425 per ordinary share (2024: Nil)	<u>221,447</u>	<u>-</u>
	<u>221,447</u>	<u>-</u>

The profit distribution plan for 2025 proposed by the Board of Directors of the Company is as follows: based on the total share capital of the Company as of the equity registration date for profit distribution implementation, a cash dividend of RMB0.1425 per 10 shares (inclusive of tax) will be distributed. The estimated total dividend payout amounts to RMB221,447 thousand. The above profit distribution proposal will be implemented upon approval by the Company's shareholders' meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

In 2025, the international economic and trade environment underwent changes, presenting external shocks and challenges rarely seen in years. At the domestic level, various dilemmas and difficulties became intertwined, and deep-seated structural contradictions continued to emerge. Faced with a complex and challenging external environment and a profoundly evolving industry landscape, the Group adhered to its overarching principle of "serving national strategies, aligning closely with national needs, developing new quality productive forces, building core competitiveness, and achieving high-quality development", united to overcome difficulties, actively optimized its industrial layout, strengthened the leading role of technological innovation, and remained committed to deepening reform, laying a solid foundation for the Group's steady development.

During the year ended 31 December 2025 (the "**Reporting Period**"), the Company achieved the total revenue of RMB126,679 million, and the gross profit margin of the Company was 17.9%. The net profits attributable to owners of the Company was RMB1,206 million, and the basic profit per share of the Company was RMB0.078 yuan.

During the Reporting Period, the Company obtained new orders in the amount of RMB172.8 billion. Among the new orders of the Company, orders for energy equipment amounted to RMB92.13 billion (of which orders for coal-fired power equipment, nuclear power equipment, wind power equipment and energy storage equipment amounted to RMB26.59 billion, RMB9.89 billion, RMB22.97 billion and RMB13.08 billion, respectively), orders for industrial equipment amounted to RMB44.48 billion, and orders for integration services amounted to RMB36.19 billion.

During the Reporting Period, the main business operation of the Company is as follows:

1. Focusing on Strategic Planning to Lead Industrial Upgrading

Adhering to strategic guidance, the Group formulated development plans in a coordinated manner, focused on its core business of high-end equipment manufacturing, planned its future industrial layout, and fostered new drivers of growth. Centered on the themes of "growth, focus and collaboration", the Group formulated its 15th Five-Year Strategic Plan, coordinated reform and development, balanced the development of traditional, strategic emerging and future industries, promoted orderly investment and exit, cultivated new growth engines, and achieved high-level industrial synergy, providing scientific, strategic and actionable guidance for the Group's high-quality development during the 15th Five-Year Plan period. The Group sorted out its Level 1 and Level 2 business units (BUs) and completed the industrial planning for major BUs, clarifying their core objectives, key tasks and implementation paths, thus forming a dynamically evolving BU planning system. The Group also formulated overseas development plan, digital development plan, industrial layout plan and technology plan, and dynamically updated the reform and exit plan to support the implementation of the strategies.

We seized the opportunities of the green transformation of the energy structure, driven by the dual engines of technological iteration and model innovation, deepened industrial chain expansion and collaboration, and supported the construction of a new clean, low-carbon, safe and efficient energy system. We deeply participated in national key fusion projects, and successfully delivered the world's first cryogenic test cryostat for ITER magnet systems and the TF coil box for China's major national science and technology infrastructure CRAFT project, with subsequent deliveries planned for core components of multiple host systems including the compact fusion experimental device BEST project. Projects constructed by us, including the "1000MW-class 650°C high-efficiency ultra-

supercritical coal-fired once-through reheat power generating unit", the "new type wide-load ultra-high-efficiency fast-adjustment 1000MW double reheat coal-fired power generating unit" and the "600MW-class ultra-supercritical double reheat boiler with high efficiency and flexibility coupled with by-product coal gas" have been selected into the fifth batch of the list of the first set (batch) of major technical equipment in the energy field issued by the National Energy Administration. During the Reporting Period, the first phase of the Wind-Biomass Coupled Green Methanol Integrated Demonstration Project in Taonan, Jilin Province, which was developed by us and with a production capacity of 50,000 tons per year, has been officially put into operation. This project is the first ISCC-certified large-scale green methanol production project in China that uses biomass and green hydrogen as raw materials. We have entered into a long-term cooperation on green methanol supply with CMA CGM S.A. and Shanggang Group Energy (Shanghai) Co., Ltd.* (上港集團能源(上海)有限公司), and jointly built a complete closed-loop industrial chain covering green methanol production, storage and transportation, and bunkering. The first phase of the cooperation will last until 2030, and the first green methanol bunkering has been completed recently. The "Zero Carbon Bay" project in Shanghai Lingang Special Area, in which we participated in the construction, has been selected for inclusion in the list of national-level zero carbon park released by the National Development and Reform Commission, the Ministry of Industry and Information Technology and the National Energy Administration. The park will realize full energy access, visualizable energy and carbon management as well as intelligent dispatching, and leverage the unique resource of green power from offshore wind and solar energy in the East China Sea to build a full-scenario zero carbon system featuring "offshore wind and solar energy + generation-grid-load-storage + energy conservation and carbon reduction + resource recycling".

We strived to promote "new-type industrialization", consolidated the industrial foundation through intelligent manufacturing upgrading, high-end equipment breakthroughs and full life cycle services, and empowered the high-end, intelligent and green development of core industries. In the elevator segment, Shanghai Mitsubishi Elevator Co., Ltd. (上海三菱電梯有限公司), a subsidiary of the Company, launched the LNK Smart Elevator Digital Solution 3.0, iteratively enhancing elevator management efficiency and passenger experience through scenario-based empowerment and customized solutions. In the field of industrial basic parts, our blade business has achieved a leap from traditional coal-fired power turbine industry to the aviation, aerospace, and gas turbine industries, and upgraded from a single-focus energy blade business to various high-end products such as aviation blades, key core components, and hot-end components, becoming a leading enterprise in the manufacturing of key core components in the "gas turbine and aircraft engine" field. Our bearing business continues to expand its market in fields such as aerospace and aviation, high-speed rail transit, medical equipment, industrial equipment, and automotive bearings. In the industrial robot sector, Shanghai Mechanical & Electrical Industry Co., Ltd., a subsidiary of the Company, and Johnson Electric Holdings Limited, jointly established Dongjie Zhikong (Shanghai) Technology Co., Ltd.* (動界智控(上海)科技有限公司), which focused on the R&D and industrialization of joint modules/actuators, achieved breakthroughs in commercial orders for rotary joints and linear joints during the Reporting Period. In the field of aviation assembly and manufacturing lines, we relied on our advanced manufacturing capabilities and integrated equipment strength to provide safe and controllable intelligent solutions for high-end manufacturing customers such as aircraft manufacturers and aviation engine manufacturers. During the Reporting Period, we cooperated with a number of key suppliers of domestic large aircraft to provide mobile heavy-duty automatic drilling robots and core equipment for automatic drilling and riveting production lines, supporting the automation upgrade and efficiency improvement of their core component manufacturing processes. Broetje Automation Equipment (Shanghai) Co., Ltd.* (寶爾捷自動化設備(上海)有限公司), a subsidiary of the Company, was selected into the 2025 "Open Competition Mechanism (揭榜掛帥)" program of intelligent manufacturing system solutions by the Ministry of Industry and Information Technology with its solution of "Reconfigurable Flexible Manufacturing Unit for Drilling and

Riveting of Commercial Large Aircraft Fuselage Panels". We have actively created the "Shanghai Electric Scheme" for the digital intelligence transformation of energy and high-end equipment. We strengthened the construction of cloud computing, industrial Internet, artificial intelligence, block chain and other digital infrastructure and the application of cutting-edge technologies, to closely integrate with industry, promote the efficient complementation and synergy of all entities in the digital industry ecosystem, and systematically implement intelligent manufacturing practices at multiple levels and in multiple scenarios. During the Reporting Period, the "Energy Power Equipment Discrete Manufacturing Intelligent Factory" of Shanghai Electric Power Generation Equipment Co., Ltd. and the "Full-chain Collaborative and Full-process Controlled Nuclear Energy Equipment Intelligent Factory" solution of Shanghai No.1 Machine Tool Works Co., Ltd. were selected as 2025 National Excellent-level Intelligent Factories. Shanghai Turbine Works Co., Ltd., Shanghai Electric Power Generation Equipment Co., Ltd. Shanghai Power Station Auxiliary Machinery Factory Co., Ltd., Shanghai Dahua Electrical Equipment Co., Ltd. and Shanghai Najie Complete Sets of Electric Co., Ltd. were selected as 2025 Shanghai Advanced-level Intelligent Factories.

2. Focusing on Market Synergy to Expand Diversified Business Landscape

We focused on supporting the construction of a new-type power system, consolidated our market position in the coal and nuclear power sectors, strived to enhance our competitiveness in the new energy sector, and accelerated expansion and deployment across multiple fields. In the nuclear power sector, we have mastered the manufacturing and inspection (testing) technologies for key nuclear power equipment, supporting China's three-step strategy for nuclear energy development. During the Reporting Period, we undertook a total of 16 nuclear island main equipment units and 4 sets of conventional island equipment, and successfully produced 24 nuclear island main equipment units and 2 sets of conventional island equipment, encompassing the fully promoted mass construction of the "Hualong No.1", the CAP series reactor projects, as well as major national engineering projects such as high-temperature gas-cooled reactors. In the field of coal-fired power, we continued to focus on the market of "three reforms linkages (三改聯動)" of coal-fired power generation stations, maintained the global record for the lowest coal consumption of coal-fired power units, achieved coal saving and carbon reduction, deep peak modulation, thermal electric decoupling and efficient heating, and continuously advanced traditional coal-fired power toward a new generation of green, low-carbon, high-efficiency and flexible coal-fired power technologies, providing solid support for China's energy structure optimization and energy security. During the Reporting Period, we won the bids for the electromechanical equipment and auxiliary furnaces of Guodian Changshu 3×660MW ultra-supercritical coal-fired power generation unit replacement and expansion project (國電常熟3×660MW超超臨界燃煤發電機組替代擴建項目), the full set of equipment for Huadian Zibo 2×350MW project (華電濰博2×350MW項目), Huaneng Gulei Phase II 2×660MW project (華能古雷二期2×660MW項目), Guoneng Jianbi Phase VIII 2×1000MW project (國能諫2×1000MW項目), as well as electromechanical equipment projects including the Baise 2×660MW ultra-supercritical secondary reheat project (百色2×660MW超超臨界二次再熱項目), Mawan Power Plant upgrade and coal power environmental replacement Phase I project 2×660MW ultra-supercritical secondary reheat project (媽灣電廠升級改造煤電環保替代一期工程2×660MW超超臨界二次再熱項目) and the Jiangsu Guoxin Yangzhou Phase III 2×1000MW ultra-supercritical secondary reheat project (江蘇國信揚州三期2×1000MW超超臨界二次再熱項目). In terms of gas turbines, as the only domestic supplier of heavy-duty gas turbines with mature full-life-cycle supply and service capabilities, we won bids for the Hebei Jiantou Xintian Funing (河北建投新天撫寧) 2×Large F gas turbine project, Anhui Huaihe Energy Wuhu (安徽淮河能源蕪湖) 2×Large F gas turbine project and Hebei Jiantou Xintian Beidaihe (河北建投新天北戴河) 2×Large F gas turbine project. The F-class combined cycle unit of the 1st backup unit of Shanghai Heavy Gas Turbine Test Power Station (上海重型燃氣輪機試驗電站1號保障機), for which we provided the full set of electromechanical

equipment and auxiliary furnaces, successfully passed the 168-hour full-load trial operation. This project is a key project under the national 14th Five-Year Plan and Shanghai's 14th Five-Year Plan for energy development. In terms of wind power, Shanghai Electric Wind Power Group Co., Ltd ("SEWP") (上海電氣風電集團股份有限公司), a subsidiary of the Company, possesses leading domestic capabilities in wind turbine design and manufacturing, having built China's largest offshore wind power sample database and delivered multiple benchmark offshore wind projects. SEWP seized the opportunities of the "dual carbon" strategy and energy transition, achieved multiple breakthroughs in overseas markets, continuously improved its market layout, realized batch delivery of high-power onshore wind turbines, and rolled out prototypes of ultra-large-power offshore models. In the field of energy storage, we actively deployed technologies such as compressed air energy storage, liquid flow energy storage and flywheel energy storage, building a collaborative development ecosystem for diversified energy storage industries, and providing one-stop "optimal storage" system solutions for customers on the generation side, grid side, industrial and commercial sectors. During the Reporting Period, the 300MW compressed air energy storage generator independently developed by us in Jiuquan, Gansu, was successfully shipped, marking a significant advancement in China's manufacturing of key equipment in the energy storage sector; we won the bids for the 10MW/40MWh all-vanadium redox flow battery energy storage project of the Fengxian Xinghuo Comprehensive Comparison and Testing Demonstration Base for Multiple New Energy Storage Technology Routes (Phase I) Project (奉賢星火綜合多種新型儲能技術路線對比測試示範基地(一期)項目) and the 12MW/48MWh all-vanadium redox flow battery energy storage project of the State Power Investment Corporation Shanghai Wujing Thermal Power Plant (國電投上海吳涇熱電廠12MW/48MWh全釩液流儲能項目), both of which are among the first batch of eight grid-side independent energy storage power stations planned by Shanghai. We formally signed a cooperation agreement on a flywheel energy storage project with Hainan Prefecture Optical Storage Integration Demonstration Base in Qinghai Province, the world's largest optical storage demonstration base, and will provide one set of 500kW/125kWh unit for the base.

We actively participated in the national "Belt and Road" initiative, deepened the "going global" strategy, and promoted the transformation of overseas business from engineering equipment supply to localized in-depth development. During the Reporting Period, we signed a cooperation agreement with Abu Dhabi Future Energy Company (阿布達比未來能源有限公司) for the 2GW photovoltaic project in Saudi Arabia's Saidawei, which is part of Saudi Arabia's fifth round of the National Renewable Energy Program and the largest photovoltaic EPC project undertaken by us to date. We also secured the contract for Package 1 of the Chittagong Phase 2 Substation EPC project in Bangladesh(孟加拉吉大港2期包1變電站總包項目), a national-level project under Bangladesh's power development plan, involving the construction, upgrade, and expansion of 16 units of 33kV GIS substations. We successfully won the bid for the general contracting project for the upgrade and renovation of substations in Uzbekistan, a key project under the national power development plan of Uzbekistan covering design, demolition, new construction and commissioning of the 5 substations, which will significantly enhance the grid capacity and power supply reliability of the country and is of great strategic significance for promoting regional energy stability and economic development locally. The consortium formed by us and GCD Partners LLP of Kazakhstan successfully secured the EPC contract for the 1GW Mirny Wind Power Project in Kazakhstan, marking a major breakthrough for us in the Central Asian energy market.

3. Focusing on Innovation-driven Development to Strengthen Scientific and Technological Support

Closely adhering to the core technological mission of "unswervingly advancing high-level self-reliance in science and technology, supporting high-quality industrial development, and deepening the construction of organized technological innovation system", we have optimized the layout of

scientific and technological innovation and continuously enhanced core competitiveness. We have optimized the structure of scientific research investment, continuously promoted the development of strategic emerging industries and future industries, accelerated the formation of industrial demonstration applications, promoted large-scale replication and promotion, and created a new growth pole for the Company. The high-energy high-power electron beam dump (800kW@8GeV) with the world's highest power, which was developed under our leadership, has been successfully delivered to the Shanghai Zhangjiang Hard X-ray Free Electron Laser Facility (SHINE) project (上海張江硬X射線自由電子鐳射裝置 (SHINE) 項目), marking our position as the only enterprise in China capable of supplying the three core complete sets of equipment for ultra-large superconducting accelerators: front-end electron gun, mid-end superconducting cavity and end beam dump. In the field of robotics, we have adopted a dual-drive strategy combining "independent R&D with ecosystem partnerships", initially building an industrial chain that spans industrial robots, specialized robots, and intelligent robots. During the Reporting Period, relying on our extensive experience in the field of intelligent manufacturing and advantages in diverse industrial scenarios, we launched our first self-developed humanoid robot "Suyuan (溯元)", which will be equipped with a vertical domain model trained on high-quality data corpora collected by us in the industrial field and can play a key role in numerous industrial scenarios. The National AI Application Pilot Base (Manufacturing Sector) in which we participated was successfully selected into the national "Two Important" plans. The ultra-high-speed multi-station lamination-cutting integrated equipment developed by Shenzhen Yinghe Technology Co., Ltd. ("**Yinghe Technology**") (贏合科技股份有限公司), a subsidiary of the Company, has achieved a breakthrough in mass production and has been delivered to several leading users. As a pioneer in lamination process equipment research, Yinghe Technology has mastered world-leading high-speed lamination technology, accelerating the lithium battery industry's transition into the "Era of Lamination". During the Reporting Period, the Shanghai Special Project for First-time Breakthrough of High-end Intelligent Equipment titled "First-time Breakthrough of Complete Large Forgings for Main Equipment of Nuclear Island of High-temperature Gas-cooled Reactor (高溫氣冷堆核島主設備成套大鍛件首台突破)", undertaken by us, passed the acceptance of the expert panel of the Shanghai Municipal Commission of Economy and Informatization. This technology has successfully solved the technical challenges of high-performance requirements and integrated manufacturing of complete large forgings for main equipment in the 600MW high-temperature gas-cooled reactor project, and achieved the first-time breakthrough of complete large forgings for pressure vessels, internals and steam generators of the main equipment of nuclear island for high-temperature gas-cooled reactors.

We focused on the gathering of global scientific and technological innovation resources, deepened the development of the scientific and technological innovation system, and improved the efficiency of scientific and technological innovation. We expanded diversified industry-university-research collaborative cooperation with universities and institutions, promoted forward-looking technology research, and formed a full-chain ecosystem of "basic research – application transformation". During the Reporting Period, we cooperated with Tsinghua University to establish the "Tsinghua University - Shanghai Electric Group Company Limited Joint Research Institute for Advanced Manufacturing and Equipment Technology", marking an upgrade of bilateral cooperation from "point-to-point" to "systematic" collaborative innovation. The Joint Research Institute aims to focus on key technology research in frontier fields such as advanced manufacturing, digital-intelligent integration and low-carbon energy. We orchestrated upstream-downstream value chain synergies to progressively enhance innovation platform capabilities through flagship project initiatives, thereby forging the core engine for the high-quality development of the Group. During the Reporting Period, we were approved to build three Shanghai key laboratories, namely the Key Laboratory of Large-scale Casting and Forging Materials and Extreme Manufacturing for High-end Equipment, the Key Laboratory of Efficient Synthesis of Green Fuels, and the Key Laboratory of Multimodal Embodied Intelligence. Four platforms, namely the Pilot Test Platform for R&D and Verification of Key Technologies for

the Efficient and Intelligent Synthesis of Multiple Green Fuels (多元綠色燃料高效智能合成關鍵技術研發與驗證中試平台), the Pilot Test Platform for Advanced Nuclear Energy Systems and Key Equipment and Materials for Future Nuclear Energy (先進核能系統及未來核能關鍵裝備及材料中試平台), the Pilot Test Platform for the Integrated Innovation of Large Megawatt Offshore Wind Power Equipment (大兆瓦海上風電裝備融合創新中試平台), and the Pilot Test Platform for High-Voltage and Large-Capacity Power Electronic Conversion Devices (高壓大容量電力電子變換裝置中試平台), have been approved for inclusion in the first batch of the Shanghai Pilot Test Platform Reserve List for 2026.

The technological strength of our key industries continued to advance, with independent R&D projects receiving multiple awards. During the Reporting Period, the project of Key Technologies and Engineering Applications of Thousand-Second Steady-State High-Parameter Plasma in EAST Mega-Science Facility participated by Shanghai Electric Nuclear Power Group Co., Ltd., a subsidiary of the Company, won the Special Prize of 2023 Anhui Science and Technology Progress Award. The projects of Key Welding Technologies and Applications of Large Components for Severe Service Conditions participated by the turbine factory of Shanghai Electric Power Generation Equipment Co., Ltd. (上海電氣電站設備有限公司上海汽輪機廠) and Shanghai Electric Nuclear Power Equipment Co., Ltd., and R&D and Application of Thermal-Hydraulic Design and Analysis Technologies for Key Equipment of Nuclear Reactors participated by Shanghai Electric Nuclear Power Equipment Co., Ltd. won the First Prize of 2024 Shanghai Science and Technology Progress Award respectively. The project of Key Technologies and Applications of Flexible Control of Distribution Networks Supporting New-Type Source and Load Integration participated by Shanghai Electric Power Electronics Co., Ltd. won the Second Prize of 2024 Shanghai Science and Technology Progress Award.

4. Focusing on Management Improvement to Stimulate Vitality and Momentum

We have focused on enhancing the quality and efficiency of management and control, deepened management reform, refined the management and control model, optimized resource allocation, activated enterprise development vitality, and enhanced the Group's overall effectiveness. We have continuously improved the corporate governance system and given further play to the role of the Audit Committee. We have established a framework for the economic operation quality evaluation system, strengthened process control over economic operations, and improved the overall operational efficiency and effectiveness. The financing scale and financing costs have been steadily reduced. We successfully completed the initial issuance of sci-tech innovation bonds, marking the first "notes + sci-tech innovation bonds" in Shanghai. We further consolidated core industries and intensified the disposal of non-core and low-efficiency assets. We integrated wind power, solar power, energy storage and integrated energy businesses in the new energy sector, strengthened cross-industry and cross-business coordination, deepened resource integration and internal synergy, and enhanced our capacity to provide integrated energy solutions. We stepped up the integration of industrial groups, promoted organizational flattening, implemented the reform of functional platforms in an orderly manner. We refined the functional setup of the Group headquarters, further enhancing the capabilities for top-level green development planning of the Group and strengthening the ability to support national equipment industry development.

We have consistently adhered to the principle of "talent as the primary resource", thoroughly implemented the strategy of strengthening the enterprise with talent in the new era, and continuously deepened the reform of talent development systems and mechanisms. Guided by market-oriented reforms, we have upheld the clear principle of "recognizing achievement through action and promoting based on performance", cultivating a composite talent team with international vision. We deepened the reform of the "three-capability mechanism" to stimulate the intrinsic motivation of

employees, and fostered more industrial leaders, scientific and technological talents, and highly skilled craftsmen. We innovated incentive and constraint mechanisms driven by value creation and established a more market-competitive compensation allocation system. We improved the training and evaluation mechanism for core talents, launched the “Excellence E+” talent development program to accelerate the building of a high-quality talent team. Focusing on key core technologies, we established a training system for outstanding engineers featuring in-depth integration of “industry, university, research and application”, piloted the “selecting the best candidates via open competition (揭榜掛帥)” for R&D mechanism, and innovated the profit-sharing mechanism for the commercialization of scientific and technological achievements.

BUSINESS REVIEW OF MAJOR BUSINESS SEGMENTS

During the Reporting Period, the Company achieved the total revenue of RMB126,679 million, representing a year-on-year increase of 9.0%. The net profits attributable to owners of the Company for 2025 was RMB1,206 million, representing a year-on-year increase of 60.3%.

The basic profit per share of the Company for 2025 was RMB0.078 yuan, and the weighted average return on equity was 2.24%.

During the Reporting Period, the energy equipment segment achieved total operating revenue of RMB75,024 million, a year-on-year increase of 21.5%, primarily driven by the favourable domestic coal-fired power policies, with sales revenue from coal-fired power generation business continuing to maintain solid growth. The gross profit margin for the energy equipment segment was 18.4%.

During the Reporting Period, the industrial equipment segment achieved total operating revenue of RMB38,074 million, a year-on-year decrease of 1.5%, mainly due to the impact of the real estate industry on the elevator business, resulting in a decline in revenue. The gross profit margin for the industrial equipment segment was 16.2%.

During the Reporting Period, the integration services segment achieved total operating revenue of RMB20,649 million, basically the same as last year, primarily due to a decline in sales revenue from engineering projects compared to the same period last year. The gross profit margin for the integration services segment was 11.1%.

Unit: 100 million Currency: RMB

Principal businesses by segment						
By segment	Revenue	Operating costs	Gross profit margin (%)	YoY change in revenue (%)	YoY change in operating costs (%)	YoY change in gross profit margin (%)
Energy equipment	750.24	611.92	18.4	21.5	23.4	A decrease of 1.3 percentage points
Industrial equipment	380.74	318.99	16.2	-1.5	-0.9	A decrease of 0.5 percentage point
Integration services	206.49	183.53	11.1	-0.4	2.5	A decrease of 2.6 percentage points
Principal businesses by geographic location						
Geographic location	Revenue	Operating costs	Gross profit margin (%)	YoY change in revenue (%)	YoY change in operating costs (%)	YoY change in gross profit margin (%)

Mainland China	1,080.52	872.31	19.3	10.7	11.0	A decrease of 0.2 percentage point
Other countries/jurisdiction	186.26	167.31	10.2	0.2	4.2	A decrease of 3.5 percentage points

SOURCE OF FUNDING AND INDEBTEDNESS

As at 31 December 2025, the Group had an aggregate amount of bank and other borrowings and bonds of RMB45,390 million (2024: RMB46,786 million), representing a decrease of RMB1,396 million as compared with that of the beginning of the year. Borrowings and bonds repayable by the Group within one year amounted to RMB16,557 million, representing a decrease of RMB2,547 million as compared with that of the beginning of the year. Borrowings and bonds repayable after one year amounted to RMB28,833 million, representing an increase of RMB1,151 million as compared with that of the beginning of the year. As at 31 December 2025, among the Group's bank and other borrowings:

(1) unsecured bank borrowings

borrowings denominated in US dollars amounted to USD70,000 thousand in total (2024: USD70,000 thousand), equivalent to RMB492,016 thousand (2024: RMB503,188 thousand);

borrowings denominated in Euros amounted to EUR258,152 thousand in total (2024: EUR221,714 thousand), equivalent to RMB2,126,014 thousand (2024: RMB1,668,551 thousand);

borrowings denominated in Hong Kong dollars amounted to HKD815,000 thousand in total (2024: HKD815,000 thousand), equivalent to RMB736,074 thousand (2024: RMB754,723 thousand);

(2) secured bank borrowings

borrowings denominated in US dollars amounted to USD4,502 thousand in total (2024: USD4,502 thousand), equivalent to RMB31,644 thousand (2024: RMB32,362 thousand);

borrowings denominated in Euros amounted to EUR3,671 thousand in total (2024: EUR4,395 thousand), equivalent to RMB30,235 thousand (2024: RMB33,072 thousand).

(3) guaranteed bank borrowings

borrowings denominated in Euros amounted to EUR196,700 thousand in total (2024: EUR227,300 thousand), equivalent to RMB1,619,923 thousand (2024: RMB1,710,592 thousand).

(4) all other unsecured bank borrowings are denominated in RMB.

As at 31 December 2025, gearing ratio of the Group, which represents the ratio of the sum of interest-bearing bank borrowings and other borrowings and bonds to the sum of total equity of the shareholders plus interest-bearing bank borrowings and other borrowings and bonds, was 40.22%, representing a decrease of 1.75 percentage points as compared with 41.97% at the beginning of the year.

PLEDGE OF ASSETS

As at 31 December 2025, the Group's bank deposits amounted to RMB1,695 million (2024: RMB1,585 million), construction in progress with a carrying amount of RMB1,313 million (2024: Nil) and certain property and equipment with a carrying amount of RMB2,299 million (2024: RMB1,747 million) were secured to banks to obtain bank borrowings or credit facilities. Part of the Group's bank borrowings was secured by the Group's long-term receivables, with a carrying amount of RMB1,445 million (2024: RMB2,493 million).

FUTURE DEVELOPMENT AND OUTLOOK OF THE GROUP

Looking ahead to 2026, we will take the Group's 15th Five-Year Strategic Plan as our guide, focusing on the cultivation of new quality productive forces and the leap in core competitiveness. With technological innovation as the core driving force, digitalization as the main direction of effort, green development as the underlying principle, industrial chain collaboration as the foundation, industrial capital as the accelerator and bridge, and domestic and international market expansion as new growth drivers, we will promote the transformation and upgrading of existing industries, accelerate the cultivation of strategic emerging industries and future industries, and strengthen our capability to support national strategies, thereby opening a new chapter for high-quality development during the 15th Five-Year Plan period and making greater strides toward building a world-class equipment manufacturing group.

SIGNIFICANT EVENTS

Abolishment of the Supervisory Committee and the Amendments to the Articles of Association and Its Appendices

In order to fully implement laws, regulations and regulatory requirements, and to further enhance the level of corporate governance, according to the provisions of the Company Law of the People's Republic of China (the "**Company Law**"), the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidance No.1 of Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardised Operation and other relevant laws, regulations and normative documents, and taking into account the actual situation of the governance reform of the Company, the Company decided to abolish the supervisory committee, with the Audit Committee of the Board exercising the powers and functions of the supervisory committee as stipulated in the Company Law, make amendments to the Articles of Association of the Company (the "**Articles of Association**"), the Rules of Procedure for the General Meeting and the Rules of Procedure for the Board of Directors as annexed hereto, and repeal the Rules of Procedure for the Supervisory Committee. The above proposal was approved at the 2025 first extraordinary general meeting of the Company held on 8 August 2025. The latest version of the Articles of Association has been published on the websites of the Company and the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

Participation of Shareholder Holding More than 5% of the Shares in Exchange for Securities Investment Fund

Shanghai State-owned Capital Investment Co., Ltd. ("**SSCI**") cumulatively exchanged 77,899,000 unrestricted tradable A shares of the Company, accounting for 0.50% of the total share capital of the Company, in CSI Shanghai State-owned Exchange Traded Index-based Investment Fund from 24 January 2025 to 7 February 2025 through centralized price bidding. Upon completion of the transactions, the shareholding percentage of SSCI in the Company decreased from 5.04% to 4.54%.

Entrusted Wealth Management and Connected Transaction

On 28 March 2025, the Board considered and approved the relevant resolution, pursuant to which, the Company would use the temporarily idle funds to invest in the fixed-income trust scheme with R3 and below risks of J-Yuan Trust Co., Ltd. (建元信託股份有限公司), with maximum daily balance of not more than RMB2,000 million (including earnings, which may be utilized on a revolving basis within the limit) from 1 April 2025 to 31 March 2026.

Litigations in Relation to SINOMECC

The Company provided loans totaling RMB1 billion to SINOMECC Engineering Group Co., Ltd. (中國能源工程集團有限公司) ("**SINOMECC**") in 2019 and 2020, and thereafter SINOMECC repaid the principal amount of RMB1 million and a portion of the interest. Upon loan maturity and subsequent collections efforts, both SINOMECC and the Guarantor have failed to fulfill their contractual obligations as agreed. The Company formally filed a lawsuit with the Shanghai Financial Court (上海金融法院) and requested for order for SINOMECC shall repay the principal amount of the loan together with interest, penalty and compound interest; the Company is entitled to be repaid SINOMECC's debt to the Company on a preferential basis by way of discounting, auction or sale of the relevant equity interest of SINOMECC pledged by Shanghai Zhongyou Guodian Energy Co., Ltd. (上海中油國電能源有限公司) and Shanghai Changtai Electric Co., Ltd. (上海昌泰電氣有限公司); China Pufa Machinery Industry Co., Ltd. (中國浦發機械工業股份有限公司) ("**Pufa Machinery**") and Zhongji Guoneng Engineering Co., Ltd. (中機國能工程有限公司) shall be jointly and severally liable for the relevant debt of SINOMECC; the defendants shall bear the litigation costs, legal fees and other expenses for realizing the creditor's rights. In 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). In August 2025, the Company pursued claims against other debtors, including SINOMECC and the guarantors, for the remaining debts of the loan to SINOMECC, and has formally filed a lawsuit with the Shanghai Pudong New Area People's Court and the cases have been officially accepted by the court.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

During the period from 31 December 2025 to the date of this announcement, no significant events after the Reporting Period have occurred in relation to the Group.

CORPORATE GOVERNANCE

During the Reporting Period, the Board of the Company performed the following functions: to formulate and review the Company's policies and practices on corporate governance and make recommendations; to review and monitor the training and continuous professional development of Directors and senior management; to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; to develop, review and monitor the ethics and compliance of employees and Directors; and to review the Company's compliance with the code provisions and disclosure in the Corporate Governance Report.

During the Reporting Period, the Board was of the view that the Company has complied with all applicable provisions of Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") (the "**Code**"), except for the deviation from requirements of code provision F.1.3. Pursuant to code provision F.1.3, the chairman of the board should attend the annual general meeting. As Dr. Wu Lei, the chairman of the Board and the executive Director of the Company, was unable to attend the 2024 annual general meeting due to business arrangements, Mr. Zhu Zhaokai, an executive Director of the Company, chaired and presided over the 2024 annual general meeting. During the Reporting Period, the roles of the chairman of the Board and the president of the Company were separated and performed by different individuals. The chairman of the Board of the Company was assumed by one person, who was mainly responsible for the strategic decisions of the Company. The president of the Company was assumed by another person, who was fully responsible for the daily operation and execution of the Company, and a temporary vacancy was arisen in the position of

president due to the resignation of the former executive Director and president The Company considered that the roles and responsibilities of the Board and the management were clear and there was no concentration of management power.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code provisions set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 of the Hong Kong Listing Rules in relation to dealings in the shares of the Company by the Directors of the Company, and all Directors of the Company confirmed that they have complied with the requirements set out in the Model Code throughout the year 2025. The Company is not aware of any breach of the Model Code by any of its employees.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

On 9 April 2025, the Board considered and approved the relevant resolution, pursuant to which, the Company intended to repurchase A shares of the Company on Shanghai Stock Exchange through centralized price bidding for reducing the registered capital of the Company. The repurchase amount was expected to be no less than RMB150 million (inclusive) and no more than RMB300 million (inclusive), the repurchase price should not exceed 150% of the average trading price of the Company's shares for the 30 trading days prior to the date on which the Board considers and approves the resolution in relation to the repurchase, i.e. not exceeding RMB12.29 per share (inclusive). The repurchase plan was approved at the 2024 annual general meeting, 2025 first A Share class meeting and 2025 first H Share class meeting of the Company.

As at 13 August 2025, the Company completed the implementation of the repurchase plan. A total of 39,687,456 A shares of the Company were repurchased (with a total payment for repurchase amounted to RMB299,977.7 thousand), and the cancellation of the above shares was completed on 15 August 2025.

Save as disclosed above, during the Reporting Period, no purchase, sale or redemption of the Company's listed securities (including sale of treasury shares (as defined in the Hong Kong Listing Rules)) has been made by the Company or any of its subsidiaries.

As at the end of the Reporting Period, the Company does not hold any treasury shares (including any treasury shares held or deposited in the Hong Kong Central Clearing and Settlement System).

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee is responsible for the communication, supervision and review of the Company's internal and external audit work and providing professional advice to the Board. The Audit Committee has reviewed and confirmed the Group's audited financial statements and the annual results of the Company for the year ended 31 December 2025 and has raised no objection to the accounting policies and practices adopted by the Group.

FINAL DIVIDEND

The Board of the Company proposed to declare a final dividend for the year 2025. The Company will distribute to all shareholders whose names appear on the register of members of the Company on the record date for the dividend distribution a cash dividend of RMB1.425 cents per share (tax inclusive) (the "**Proposed Final Dividend**").

The Proposed Final Dividend is subject to approval by the Shareholders of the Company at the Company's forthcoming annual general meeting and is expected to be paid to the shareholders of the Company on or before 30 August 2026.

CLOSURE OF REGISTER OF MEMBERS

The Company will notify its shareholders at a later date about the date of the annual general meeting for the year ended 31 December 2025 as well as the corresponding arrangements for the closure of the register of members.

DISCLOSURE OF INFORMATION ON STOCK EXCHANGE'S WEBSITE

This results announcement will be published on the Company's website (<http://www.shanghai-electric.com>) and the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>). The 2025 Annual Report will be despatched to the shareholders of the Company who have already provided instructions indicating their preference to receive hard copies and will be made available on the websites of the Company and the Hong Kong Stock Exchange in due course.

By Order of the Board

Shanghai Electric Group Company Limited

HU Xupeng

Joint Company Secretary

Shanghai, the PRC, 30 March 2026

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 Ms. ZHU Yun, Mr. ZHU Jiaqi and Mr. CAO Qingwei; and the independent non-executive directors of the Company are Dr. LIU Yunhong, Dr. DU Zhaohui and Dr. CHEN Xinyuan.

** For identification purpose only*