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SHANGHAI ELECTRIC GROUP COMPANY LIMITED

上海電氣集團股份有限公司

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

(Stock Code: 02727)

CONNECTED TRANSACTIONS
DISPOSAL OF EQUITY INTEREST IN SUBSIDIARIES

INTRODUCTION

The Board hereby announces that, on 29 April 2026, the Board considered and approved the relevant resolutions, pursuant to which Anhui Investment Company, a wholly-owned subsidiary of the Company, was approved to transfer its 100% equity interest in Wuhe Project Company, Tianchang Project Company, Mengcheng Project Company and Suixi Project Company to SEGC by way of non-public transfer agreement, and Electric Investment Company, a wholly-owned subsidiary of the Company, was approved to transfer its 100% equity interest in Xiangshui Project Company to SEGC by way of non-public transfer agreement. The consideration is based on the appraised values of the total shareholders' equity of Wuhe Project Company, Tianchang Project Company, Mengcheng Project Company, Suixi Project Company and Xiangshui Project Company (the "**Five Project Companies**") as at the valuation benchmark date, i.e. 31 October 2025, amounting to RMB426.91 million. The prices of the Equity Transfers are subject to the final equity valuation results filed with the state-owned assets authorities.

Upon completion of the Equity Transfers, the Five Project Companies will cease to be subsidiaries of the Company; the Group will no longer hold any interest in the Five Project Companies, and their financial results will no longer be consolidated into the Group's accounts.

Through the transfer of equity interests in the Five Project Companies, the Company will exit its major biomass power generation operations, thereby achieving the disposal of non-core assets, supplementing the necessary working capital for the Company's daily operations, and ensuring the sustainable development of the Company's core business.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SEGC is a controlling shareholder of the Company, holding approximately 43.20% equity interest in the total issued share capital of the Company. Accordingly, SEGC is a connected person of the Company as defined under Chapter 14A of the Listing Rules. The Equity Transfers constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions shall be aggregated and treated as one transaction if all are entered into within the same 12-month period or are related to each other. As the Five Project Companies under the Equity Transfers are disposed of by the Group to the same party, they shall be aggregated.

Given that the highest applicable percentage ratio (as defined under the Listing Rules) for the Equity Transfers exceeds 0.1% but all percentage ratios are less than 5%, the Equity Transfers are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the requirements for circular and independent shareholders' approval.

INTRODUCTION

The Board hereby announces that, on 29 April 2026, the Board considered and approved the relevant resolutions, pursuant to which Anhui Investment Company, a wholly-owned subsidiary of the Company, was approved to transfer its 100% equity interest in Wuhe Project Company, Tianchang Project Company, Mengcheng Project Company and Suixi Project Company to SEGC by way of non-public transfer agreement, and Electric Investment Company, a wholly-owned subsidiary of the Company, was approved to transfer its 100% equity interest in Xiangshui Project Company to SEGC by way of non-public transfer agreement. The consideration is based on the appraised value of the total shareholders' equity of the Five Project Companies as at the valuation benchmark date, i.e. 31 October 2025, amounting to RMB426.91 million. The prices of the Equity Transfers are subject to the final equity valuation results filed with the state-owned assets authorities.

EQUITY TRANSFER AGREEMENTS

Anhui Investment Company and Electric Investment Company are intended to enter into Equity Transfer Agreements with SEGC, respectively. The principal terms of the two Equity Transfer Agreements are substantially the same and are summarized as follows:

Parties:	*Equity Transfer Agreement I* Transferee: SEGC Transferor: Anhui Investment Company, a wholly-owned subsidiary of the Company Name of transfer target: 100% equity interest of Wuhe Project Company, 100% equity interest of Tianchang Project Company, 100% equity interest of Mengcheng Project Company, 100% equity interest of Suixi Project Company
	Equity Transfer Agreement II Transferee: SEGC Transferor: Electric Investment Company, a wholly-owned subsidiary of the Company Name of transfer target: 100% equity interest of Xiangshui Project Company
Conditions precedent to completion:	The parties agree that the completion of the transaction shall be subject to the fulfilment of all the following conditions precedent or their waiver by the transferee (except for conditions which cannot be waived under applicable law); the parties shall use their best endeavours to ensure that the conditions precedent to completion are satisfied as soon as possible. (1) The representations and warranties of the transferor set out in the agreement are true, accurate and complete in all respects and are not materially misleading; (2) The parties have obtained the necessary authorisations and approvals for the Equity Transfers and the execution of the agreement, and possess all authorisations and approvals necessary to fully perform each of their obligations under the agreement.

	Each obligation under the agreement relating to the transferor is valid and binding upon the transferor; (3) There are no laws, regulations, administrative rules, orders or decisions issued by any government department, judicial body or any other body with regulatory functions that would render the Transactions invalid, unenforceable or unlawful, or that would restrict, prohibit, delay or otherwise prevent or seek to prevent the Transactions; (4) There are no pending or potential legal proceedings that would have a material adverse effect on the Five Project Companies, their business or related business assets, or impose any prohibition or restriction thereon, or that would restrict the completion of the transactions under the agreement or the transferee's effective exercise of all its rights as the owner of the equity interest in the Five Project Companies; (5) All parties have complied with and fulfilled all their pre-closing obligations, responsibilities and undertakings under all transaction documents, and there is no instance of non-performance or breach of the aforementioned obligations, responsibilities or undertakings; (6) The transferor has issued a written notice to the transferee, providing details of the bank account for receipt of payments under this transaction and designating that bank account for the receipt of the equity transfer consideration.
Completion:	(1) On the date on which the transferee transfers the equity transfer consideration to the bank account designated by the transferor in accordance with the terms of the agreement, the Five Project Companies shall issue to the transferee the original certificate of capital contribution, as well as a scanned copy of the original shareholder register. (2) Unless otherwise agreed in the agreement, prior to the completion of the transfer of the 100% equity interest of the Five Project Companies, the transferor shall continue to exercise the corresponding shareholder rights and bear the corresponding shareholder liabilities in accordance with the equity of the Five Project Companies held by it. (3) From the date of completion, the transferee shall acquire ownership of the 100% equity interest of the Five Project Companies and shall enjoy and bear the rights and obligations under the equity as provided for by applicable law and the Five Project Companies' articles of association; the transferor shall no longer enjoy or bear such rights and obligations. The parties shall complete the handover of the documents and seals of Five Project Companies, the transfer of management authority and other completion matters (if required) on the date of completion. (4) During the transition period, the corresponding portion of any net profit realised by the Five Project Companies or arising from other causes, or the corresponding portion of any net loss incurred or arising from other causes, shall be enjoyed and borne by the transferee. (5) From the date of signing of this agreement until the closing date, subject to the terms and conditions of this agreement and unless otherwise agreed in writing by the transferee, the Five Project Companies shall, and the transferor shall cause the Five Project Companies to, use their best endeavours to: (a) carry on the normal business operations of the Five Project Companies; (b) in the event of any litigation, arbitration, administrative proceedings, inquiries, government investigations, dissolution or liquidation proceedings, or other judicial proceedings that may have a material adverse

<table>
<tr><td></td><td>effect on this transaction, the target companies shall notify the transferee within five working days of such occurrence;

(6) Prior to the completion of the transfer of ownership, the transferee shall provide a loan to the Five Project Companies for a term of one year at an annualised interest rate of 2.1%. Upon receipt of this loan, the Five Project Companies shall repay in full the inter-company loan previously provided to it by Shanghai Institute of Mechanical & Electrical Engineering Co., Ltd.</td></tr>
<tr><td>Non-competition undertaking:</td><td>To avoid any potential competition between the transferee and the Company, the transferee undertakes that, following the acquisition of the Five Project Companies' equity in the Transaction, it shall promptly implement a plan to transfer or divest its equity in the Five Project Companies.</td></tr>
<tr><td>Consideration for the transfer and method of payment:</td><td>The parties agreed that, based on the valuation of the total equity value of shareholders of the Five Project Companies as set out in the valuation report issued by Shanghai Shenwei Assets Appraisal Co., Ltd. (with a valuation benchmark date of 31 October 2025) (subject to final approval by the competent state-owned assets authorities), the consideration for the transfer in the Transactions is as detailed in the table below:

<table>
<tr><th>No.</th><th>Transferor</th><th>Name of Transfer Target</th><th>Transfer Price (RMB'0,000)</th><th>Payment Method</th><th>Payment Schedule</th></tr>
<tr><td>1</td><td rowspan="4">Anhui Investment Company</td><td>100% equity interest in Wuhe Project Company</td><td>14,639.3781</td><td rowspan="5">Cash transfer</td><td rowspan="5">The transferee shall pay the full amount of the equity transfer price into the account designated by the transferor within five working days after the contract becomes effective</td></tr>
<tr><td>2</td><td>100% equity interest in Tianchang Project Company</td><td>9,808.4972</td></tr>
<tr><td>3</td><td>100% equity interest in Mengcheng Project Company</td><td>1,328.9307</td></tr>
<tr><td>4</td><td>100% equity interest in Suixi Project Company</td><td>11,548.8508</td></tr>
<tr><td>5</td><td>Electric Investment Company</td><td>100% equity interest in Xiangshui Project Company</td><td>5,365.6961</td></tr>
<tr><td colspan="3">Total</td><td>42,691.3529</td><td></td><td></td></tr>
</table>
</td></tr>
<tr><td>Conditions for the effectiveness of the agreement:</td><td>The agreement shall become effective only upon the fulfilment of all the following conditions precedent:

(1) The agreement has been signed by the legal representatives or authorised representatives of all parties and stamped with their official seals;

(2) The Transactions have obtained the necessary approvals from the internal decision-making bodies of all parties;

(3) The Transactions, being conducted by way of non-public agreement, have obtained the approval of the state-owned enterprise.</td></tr>
</table>

BASIC INFORMATION OF THE TRANSACTION TARGETS

(I) Overview of the Transaction Targets

The targets of the Equity Transfers are 100% equity interest in the Five Project Companies. The basic information of the Five Project Companies is as follows:

1. Wuhe Project Company

Name of legal entity / organization	Shanghai Electric (Wuhe) Biomass Thermal Power Co., Ltd.* (上海電氣（五河）生物質熱電有限公司)
Unified social credit code	91340300MA2MQ07C5T
Is it a subsidiary within the scope of consolidation of the listed company	☑ Yes ☐ No
Do the Transactions result in a change in the scope of the listed company's consolidated financial statements	☑ Yes ☐ No
Is there any guarantee provided to the proposed deconsolidated controlling subsidiary, entrustment to it for financial management, or occupation of the listed company's funds by the proposed deconsolidated controlling subsidiary	Guarantee: ☐ Yes ☑ No ☐ Not applicable Entrustment for financial management: ☐Yes ☑ No ☐ Not applicable Occupation of listed company's funds: ☐Yes ☑ No ☐ Not applicable
Date of establishment	23 September 2015
Registered address	Chengnan Industrial Zone, Wuhe County, Bengbu City, Anhui Province
Principal office address	Chengnan Industrial Zone, Wuhe County, Bengbu City, Anhui Province
Legal representative	Yao Defu (姚德付)
Registered capital	RMB50 million
Principal business	Operation of agricultural and forestry biomass power generation projects in Wuhe County, Bengbu City, Anhui Province.
Industry sector	D441 Power Production

2. Tianchang Project Company

Name of legal entity / organization	Shanghai Electric (Tianchang) Biomass Power Generation Co., Ltd.* (上海電氣（天長）生物質發電有限公司)
Unified social credit code	91341181MA2MTECN16
Is it a subsidiary within the scope of consolidation of the listed company	☑ Yes ☐ No
Do the Transactions result in a change in the scope of the listed company's consolidated financial statements	☑ Yes ☐ No

Is there any guarantee provided to the proposed deconsolidated controlling subsidiary, entrustment to it for financial management, or occupation of the listed company's funds by the proposed deconsolidated controlling subsidiary	Guarantee: ☐Yes ☑ No ☐ Not applicable Entrustment for financial management: ☐Yes ☑ No ☐ Not applicable Occupation of listed company's funds: ☑ Yes □ No ☐ Not applicable As at the date of this announcement, the outstanding balance of the loan provided by the Company's wholly-owned subsidiary, Shanghai Institute of Mechanical & Electrical Engineering Co., Ltd., to the Tianchang Project Company stands at RMB190.95 million, which is intended to supplement working capital.
Date of establishment	26 February 2016
Registered address	North of Zhijiao Avenue, Yongfeng Town, Tianchang City
Principal office address	North of Zhijiao Avenue, Yongfeng Town, Tianchang City, Anhui Province
Legal representative	Wang Quanyi (王全意)
Registered capital	RMB80.15 million
Principal business	Operation of agricultural and forestry biomass power generation projects in Tianchang City, Chuzhou City, Anhui Province.
Industry sector	D441 Power Production

3. Mengcheng Project Company

Name of legal entity / organization	Shanghai Electric (Mengcheng) Biomass Power Generation Co., Ltd.* (上海電氣（蒙城）生物質發電有限公司)
Unified social credit code	91341600MA2MQCC604
Is it a subsidiary within the scope of consolidation of the listed company	☑ Yes ☐ No
Do the Transactions result in a change in the scope of the listed company's consolidated financial statements	☑ Yes ☐ No
Is there any guarantee provided to the proposed deconsolidated controlling subsidiary, entrustment to it for financial management, or occupation of the listed company's funds by the proposed deconsolidated controlling subsidiary	Guarantee: ☐Yes ☑ No ☐ Not applicable Entrustment for financial management: ☐Yes ☑ No ☐ Not applicable Occupation of listed company's funds: ☑Yes ☐ No ☐ Not applicable As at the date of this announcement, the outstanding balance of the loan provided by the Company's wholly-owned subsidiary, Shanghai Institute of Mechanical & Electrical Engineering Co., Ltd., to the Mengcheng Project

	Company stands at RMB233.10 million, which is intended to supplement working capital.
Date of establishment	26 October 2015
Registered address	Shuangjian Town Government, Mengcheng County
Principal office address	100 meters north of National Highway 307, Shuangjian Town, Mengcheng County, Bozhou City, Anhui Province
Legal representative	Pan Hai (潘海)
Registered capital	RMB73.91 million
Principal business	Operation of agricultural and forestry biomass power generation projects in Mengcheng County, Bozhou City, Anhui Province.
Industry sector	D441 Power Production

4. Suixi Project Company

Name of legal entity / organization	Shanghai Electric (Suixi) Biomass Power Generation Co., Ltd.* (上海電氣（濉溪）生物質發電有限公司)
Unified social credit code	91340621MA2N3LBB5X
Is it a subsidiary within the scope of consolidation of the listed company	☑ Yes ☐ No
Do the Transactions result in a change in the scope of the listed company's consolidated financial statements	☑ Yes ☐ No
Is there any guarantee provided to the proposed deconsolidated controlling subsidiary, entrustment to it for financial management, or occupation of the listed company's funds by the proposed deconsolidated controlling subsidiary	Guarantee: ☐Yes ☑ No ☐ Not applicable Entrustment for financial management: ☐Yes ☑ No ☐ Not applicable Occupation of listed company's funds: ☑Yes ☐ No ☐ Not applicable As at the date of this announcement, the outstanding balance of the loan provided by the Company's wholly-owned subsidiary, Shanghai Institute of Mechanical & Electrical Engineering Co., Ltd., to the Suixi Project Company stands at RMB154.14 million, which is intended to supplement working capital.
Date of establishment	23 September 2015
Registered address	Huibei Village, Nanping Town, Suixi County
Principal office address	Nanping Town, Suixi County, Huaibei City, Anhui Province
Legal representative	Pan Hai (潘海)
Registered capital	RMB87.52 million
Principal business	Operation of agricultural and forestry biomass power generation projects in Suixi County, Huaibei City, Anhui Province.
Industry sector	D441 Power Production

5. Xiangshui Project Company

Name of legal entity / organization	Shanghai Electric Xiangshui Biomass Power Generation Co., Ltd.* (上海電氣響水生物質發電有限公司)
Unified social credit code	91320921MA1NNU3C45
Is it a subsidiary within the scope of consolidation of the listed company	☑ Yes ☐ No
Do the Transactions result in a change in the scope of the listed company's consolidated financial statements	☑ Yes ☐ No
Is there any guarantee provided to the proposed deconsolidated controlling subsidiary, entrustment to it for financial management, or occupation of the listed company's funds by the proposed deconsolidated controlling subsidiary	Guarantee: ☐Yes ☑ No ☐ Not applicable Entrustment for financial management: ☐Yes ☑ No ☐ Not applicable Occupation of listed company's funds: ☑ Yes □ No ☐ Not applicable As at the date of this announcement, the outstanding balance of the loan provided by the Company's wholly-owned subsidiary, Shanghai Institute of Mechanical & Electrical Engineering Co., Ltd., to the Xiangshui Project Company stands at RMB133.19 million, which is intended to supplement working capital.
Date of establishment	30 March 2017
Registered address	Hedui Village, Nanhe Town, Xiangshui County, North of National Highway 307
Principal office address	Hedui Village, Nanhe Town, Xiangshui County, Yancheng City, Jiangsu Province
Legal representative	Wang Quanyi (王全意)
Registered capital	RMB91.57 million
Principal business	Operation of agricultural and forestry biomass power generation projects in Xiangshui County, Yancheng City, Jiangsu Province.
Industry sector	D441 Power Production

As at the date of this announcement, the Company's wholly-owned subsidiary, Shanghai Institute of Mechanical & Electrical Engineering Co., Ltd., has provided loans totalling RMB711.38 million to the Five Project Companies. Prior to the completion of the Equity Transfers, SEGC will provide loans to the Five Project Companies to enable them to repay the aforementioned loans to Shanghai Institute of Mechanical & Electrical Engineering Co., Ltd..

(II) Description of Ownership

The equity interest in the Five Project Companies proposed to be transferred is explicit. There are no mortgages, pledges or any other restrictions on transfer, no litigation, arbitration or judicial measures such as seizure and freezing involved, and no other circumstances that may hinder the transfer of ownership.

VALUATION AND PRICING OF THE EQUITY TRANSFERS

(I) Pricing and basis

1. Pricing method of the Equity Transfers and the result

The prices of Equity Transfers are based on the appraised values of the total shareholders' equity of the Five Project Companies, amounting to RMB426.91 million (subject to the final valuation results filed with the state-owned assets authorities).

2. General information of the valuation

This valuation was conducted by Shanghai Shenwei Assets Appraisal Co., Ltd., which issued valuation report on the total equity value of the shareholders of the Five Project Companies. The effective date of the valuation report is 27 April 2026. Shanghai Shenwei Assets Appraisal Co., Ltd. is a third-party appraisal institution qualified to perform asset appraisal services related to securities and futures.

(1) Scope of work for this valuation

1) Clarify basic engagement matters: understand the general situation of the subject entity, the purpose of the valuation, and the project background; conduct preliminary risk evaluation of the project.

2) Sign the engagement contract: accept the appraisal engagement, agree on the scope and subject of the appraisal relevant to the purpose, agree on the valuation benchmark date, and sign the asset appraisal engagement contract with the client.

3) Prepare the asset appraisal plan: assign personnel to form a project team and formulate the appraisal work plan; provide the client and the entity under appraisal with a list of required documents and asset appraisal declaration forms, and offer necessary guidance on asset verification.

4) Conduct on-site investigation: appraisal personnel perform necessary verification of the assets and liabilities involved in the appraisal, and carry out required due diligence on the operating and management status of the entity under appraisal.

5) Collect and organize appraisal data: based on the specific circumstances of the project, appraisal personnel collect data, including information obtained independently from market and other channels, from the client and other relevant parties, and from government departments, professional institutions, and other relevant organizations. The collected data are then analyzed, summarized, and organized to form the basis for valuation and estimation.

6) Perform valuation and formulate preliminary results: appraisal personnel analyze, calculate, and determine the preliminary valuations for each type of asset using selected valuation methods, with corresponding formulas and parameters. The project leader reviews and aggregates the preliminary results and drafts the initial asset appraisal report.

7) Internal review and issuance of the report: after the internal review of the preliminary appraisal report, the project leader communicates with the client or other relevant parties agreed by the client on the content of the report, provided that such communication does not affect independent judgment of the valuation conclusions. Based on an independent analysis of the communications, the final asset appraisal report is issued and submitted.

(2) Materials used as basis for this valuation

1) Title evidence: Real estate ownership certificates, land grant (or transfer) contracts, etc.; purchase contracts and

invoices for major equipment; other title documentation.

2) Pricing basis: The latest Loan Prime Rate (LPR) authorized for publication by the National Interbank Funding Center; local benchmark land prices and adjustment systems; local public land auction, tender, and listing market information; relevant information provided by RoyalFlush Information System; procurement contracts signed between the enterprise and relevant parties; the enterprise's audit reports from prior years and financial statements as of the valuation benchmark date; the Company's historical operating statistics; on-site inspection records and other relevant valuation information collected by appraisal personnel; and other materials relevant to this asset appraisal.

3) Other reference standards: Code for Real Estate Appraisal (GB/T 50291-2015); Standard for Grading of Building Deterioration (Trial) (Cheng Zhu Zi [1984] No. 678); the asset list and appraisal declaration forms provided by the Company.

3. Valuation method

The valuation is conducted as at the valuation benchmark date, i.e. 31 October 2025, using the asset-based approach to assess the value of the target assets. The asset-based approach was adopted for this valuation because the entites being valued operates in a heavy-asset industry, where long-term assets account for a significant portion of total assets and most assets are identifiable. The valuation under the asset-based approach is primarily determined based on the full replacement cost of the company's existing assets as of the valuation benchmark date, which essentially reflects the current market value of those assets. In contrast, the market approach requires selecting comparable companies, comparing and analyzing their financial data with that of the entity being valued, and making necessary adjustments. Compared with the entity-specific information used in the asset-based approach, the business and financial information of comparable companies that market approach relies on is limited. Moreover, given the numerous implicit factors that influence equity value, adjustments and modifications to valuation multiples cannot fully capture all relevant factors. Under these circumstances, the asset-based approach provides a more accurate reflection of the fair value of the entity being valued as of the valuation benchmark date. Therefore, the results of the asset-based approach were adopted for this valuation.

4. Significant valuation assumptions and valuation parameters

(1) Significant assumptions:

It is assumed that the target assets are traded in a simulated manner under open market conditions, with both parties to the transaction being voluntary, rational and symmetric in information; the appraised entity and its invested subsidiaries operate continuously, and existing assets continue to be used for their current purposes; no material adverse changes in the national macro policies, laws, regulations and economic environment; the appraised entity operates in compliance with laws and regulations, and the management performs its duties effectively; the valuation does not consider the impact of contingent liabilities such as asset mortgages and guarantees or special transaction arrangements on value; the ownership, financial and other information provided by the entrusting party and the appraised entity is true, complete and legal; no material force majeure factors have a material adverse impact on the enterprise; the transaction prices of the selected comparable companies are fair and the public financial information is true and reliable.

(2) Valuation parameters:

1) The statutory useful life of buildings is 50 years, and the economic useful life of major machinery and equipment is 10–15 years.

2) Considering that the principal assets of the appraised entity are all biomass power generation projects with a high

proportion of fixed assets to total assets, and its price-to-book (P/B) ratio is highly correlated with the market value of the appraised entity, the P/B ratio is selected as the value ratio for this valuation.

3) Land use rights are valued using the benchmark land price correction method and the market comparison method, with benchmark land prices adjusted with reference to local land of the same grade, and market cases adjusted with reference to recent transaction cases.

4) Buildings and equipment assets are valued using the replacement cost method, derived based on construction costs combined with index adjustments or tax-excluded market prices of equipment, and the depreciation rate is comprehensively determined by the age-based depreciation rate and the technical observation depreciation rate.

5) Current assets and liabilities are recognized based on their realizable amount and actual obligations after verification, and the appraised net asset value is finally determined by deducting the appraised total liabilities from the appraised total assets.

(II) Detailed valuation and pricing

1. Wuhe Project Company

The appraised value of the total shareholders' equity of Wuhe Project Company is RMB146.3938 million, representing a value appreciation rate of 0.61%. The summary of the valuation results is as follows:

Valuation benchmark date: 31 October 2025 Unit: RMB 0'000

Item	Book value	Appraised value	Value appreciation/ depreciation	Value appreciation rate (%)
Current assets	42,074.19	42,074.19	0.00	0.00
Non-current assets	24,181.48	24,269.80	88.32	0.37
Total assets	66,255.67	66,343.99	88.32	0.13
Current liabilities	41,794.80	41,794.80	0.00	0.00
Non-current liabilities	9,909.81	9,909.81	0.00	0.00
Total liabilities	51,704.61	51,704.61	0.00	0.00
Net assets	14,551.06	14,639.38	88.32	0.61

Note: In October 2025, Anhui Investment Company entered into equity acquisition agreement with Shengyi Equity Investment Co., Ltd. ("**Shengyi Investment Company**") and Wuhe County Zhongxin Water Supply Partnership (General Partnership) ("**Zhongxin Partnership**"), pursuant to which Anhui Investment Company acquired a 30% equity interest in the Wuhe Project Company from Shengyi Investment Company for RMB15 million, and a 5% equity interest from Zhongxin Partnership for RMB2.862 million. Upon completion of these acquisitions, Anhui Investment Company held 100% of the equity interest in the Wuhe Project Company.

2. Tianchang Project Company

The appraised value of the total shareholders' equity of Tianchang Project Company is RMB98.0850 million, representing a value appreciation rate of 0.42%. The summary of the valuation results is as follows:

Valuation benchmark date: 31 October 2025 Unit: RMB 0'000

Item	Book value	Appraised value	Value appreciation/ depreciation	Value appreciation rate (%)
Current assets	47,054.40	47,054.40	0.00	0.00
Non-current assets	17,321.72	17,362.82	41.10	0.24
Total assets	64,376.12	64,417.22	41.10	0.06
Current liabilities	45,048.72	45,048.72	0.00	0.00
Non-current liabilities	9,560.00	9,560.00	0.00	0.00
Total liabilities	54,608.72	54,608.72	0.00	0.00
Net assets	9,767.40	9,808.50	41.10	0.42

Note: In October 2025, Anhui Investment Company entered into equity acquisition agreement with Wang Quanyi, a natural person, pursuant to which Anhui Investment Company acquired a 1% equity interest in the Tianchang Project Company from Wang Quanyi for RMB0.8015 million. Upon completion of this acquisition, Anhui Investment Company held 100% of the equity interest in the Tianchang Project Company.

3. Mengcheng Project Company

The appraised value of the total shareholders' equity of Mengcheng Project Company is RMB13.2893 million, representing a value appreciation rate of 4.02%. The summary of the valuation results is as follows:

Valuation benchmark date: 31 October 2025 Unit: RMB 0'000

Item	Book value	Appraised value	Value appreciation/ depreciation	Value appreciation rate (%)
Current assets	33,203.38	33,203.38	0.00	0.00
Non-current assets	21,638.82	21,690.14	51.32	0.24
Total assets	54,842.20	54,893.52	51.32	0.09
Current liabilities	42,013.25	42,013.25	0.00	0.00
Non-current liabilities	11,551.34	11,551.34	0.00	0.00
Total liabilities	53,564.59	53,564.59	0.00	0.00
Net assets	1,277.61	1,328.93	51.32	4.02

Note: In October 2025, Anhui Investment Company entered into equity acquisition agreement with Shengyi Investment Company and Guo Chang'an, a natural person, pursuant to which Anhui Investment Company acquired a 10% equity interest in the Mengcheng Project Company from Shengyi Investment Company for RMB3.3961 million, and a 1% equity interest from Guo Chang'an for RMB0.3396 million. Upon completion of these acquisitions, Anhui Investment Company held 100% of the equity interest in the Mengcheng Project Company.

4. Suixi Project Company

The appraised value of the total shareholders' equity of Suixi Project Company is RMB115.4885 million, representing a value appreciation rate of 0.52%. The summary of the valuation results is as follows:

Valuation benchmark date: 31 October 2025 Unit: RMB 0'000

Item	Book value	Appraised value	Value appreciation/ depreciation	Value appreciation rate (%)

Current assets	24,110.97	24,110.97	0.00	0.00
Non-current assets	22,157.57	22,217.55	59.98	0.27
Total assets	46,268.54	46,328.52	59.98	0.13
Current liabilities	22,301.15	22,301.15	0.00	0.00
Non-current liabilities	12,478.52	12,478.52	0.00	0.00
Total liabilities	34,779.67	34,779.67	0.00	0.00
Net assets	11,488.87	11,548.85	59.98	0.52

Note: In October 2025, Anhui Investment Company entered into equity acquisition agreement with Shengyi Investment Company and Pan Hai, a natural person, pursuant to which Anhui Investment Company acquired a 10% equity interest in the Suixi Project Company from Shengyi Investment Company for RMB8.752 million, and a 1% equity interest from Pan Hai for RMB0.9055 million. Upon completion of these acquisitions, Anhui Investment Company held 100% of the equity interest in the Suixi Project Company.

5. Xiangshui Project Company

The appraised value of the total shareholders' equity of Xiangshui Project Company is RMB53.6570 million, representing a value appreciation rate of 0.66%. The summary of the valuation results is as follows:

Valuation benchmark date: 31 October 2025 Unit: RMB 0'000

Item	Book value	Appraised value	Value appreciation/ depreciation	Value appreciation rate (%)
Current assets	23,989.56	23,989.56	0.00	0.00
Non-current assets	23,150.79	23,186.22	35.43	0.15
Total assets	47,140.35	47,175.78	35.43	0.08
Current liabilities	29,396.67	29,396.67	0.00	0.00
Non-current liabilities	12,413.41	12,413.41	0.00	0.00
Total liabilities	41,810.08	41,810.08	0.00	0.00
Net assets	5,330.27	5,365.70	35.43	0.66

Note: In October 2025, Electric Investment Company entered into equity acquisition agreement with Chen Jiaxi, a natural person, pursuant to which Electric Investment Company acquired a 1% equity interest in the Xiangshui Project Company from Chen Jiaxi for RMB0.597 million. Upon completion of this acquisition, Electric Investment Company held 100% equity interest in the Xiangshui Project Company.

FINANCIAL INFORMATION

1. Wuhe Project Company

The book values of the unaudited financial statements of Wuhe Project Company for the latest year and period are as follows:

Unit: RMB 0'000

Item	From January to February 2026 / 28 February 2026	From January to December 2025 / 31 December 2025
Total assets	63,684.33	65,043.58
Total liabilities	49,267.42	50,400.46
Net assets	14,416.91	14,643.12

Operating revenue	2,601.00	19,963.39
Net profit	-223.82	2,579.14
Net profit after deducting non-recurring gains and losses	-223.82	2,579.14

Immediately prior to the Equity Transfers, the audited and unaudited profit before tax of Wuhe Project Company for the years ended 31 December 2024 and 31 December 2025 was RMB10.4589 million and RMB25.7157 million respectively, and the profit after tax was RMB10.4009 million and RMB25.7914 million respectively.

2. Tianchang Project Company

The book values of the unaudited financial statements of Tianchang Project Company for the latest year and period are as follows:

Unit: RMB 0'000

Item	From January to February 2026 / 28 February 2026	From January to December 2025 / 31 December 2025
Total assets	62,199.84	62,597.81
Total liabilities	54,127.96	53,874.17
Net assets	8,071.88	8,723.64
Operating revenue	334.97	5,473.27
Net profit	-664.94	-3,497.25
Net profit after deducting non-recurring gains and losses	-664.94	-3,497.25

Immediately prior to the Equity Transfers, the audited and unaudited profit before tax of Tianchang Project Company for the years ended 31 December 2024 and 31 December 2025 was RMB-7.9779 million and RMB-34.9955 million respectively, and the profit after tax was RMB-7.9779 million and RMB-34.9725 million respectively.

3. Mengcheng Project Company

The book values of the unaudited financial statements of Mengcheng Project Company for the latest year and period are as follows:

Unit: RMB 0'000

Item	From January to February 2026 / 28 February 2026	From January to December 2025 / 31 December 2025
Total assets	51,949.07	52,197.08
Total liabilities	51,946.17	51,854.84
Net assets	2.90	342.24
Operating revenue	0	5,522.17
Net profit	-339.33	-3,053.82
Net profit after deducting non-recurring gains and losses	-339.33	-3,053.82

Immediately prior to the Equity Transfers, the audited and unaudited profit before tax of Mengcheng Project Company for the years ended 31 December 2024 and 31 December 2025 was RMB-27.2655 million and RMB-30.5397 million respectively, and the profit after tax was RMB-27.2627 million and RMB-30.5382 million respectively.

4. Suixi Project Company

The book values of the unaudited financial statements of Suixi Project Company for the latest year and period are as follows:

Unit: RMB 0'000

Item	From January to February 2026 / 28 February 2026	From January to December 2025 / 31 December 2025
Total assets	46,411.22	46,445.93
Total liabilities	35,712.87	35,362.13
Net assets	10,698.35	11,083.80
Operating revenue	748.71	9,982.15
Net profit	-385.45	1,840.49
Net profit after deducting non-recurring gains and losses	-385.45	1,840.49

Immediately prior to the Equity Transfers, the audited and unaudited profit before tax of Suixi Project Company for the years ended 31 December 2024 and 31 December 2025 was RMB11.0713 million and RMB18.4049 million respectively, and the profit after tax was RMB11.0713 million and RMB18.4049 million respectively.

5. Xiangshui Project Company

The book values of the unaudited financial statements of Xiangshui Project Company for the latest year and period are as follows:

Unit: RMB 0'000

Item	From January to February 2026 / 28 February 2026	From January to December 2025 / 31 December 2025
Total assets	44,942.01	45,181.89
Total liabilities	40,871.12	40,484.13
Net assets	4,070.89	4,697.76
Operating revenue	195.06	9,618.53
Net profit	-626.86	-1,271.90
Net profit after deducting non-recurring gains and losses	-626.86	-1,271.90

Immediately prior to the Equity Transfers, the audited and unaudited profit before tax of Xiangshui Project Company for the years ended 31 December 2024 and 31 December 2025 was RMB6.0014 million and RMB-12.7361 million respectively, and the profit after tax was RMB6.0029 million and RMB-12.7190 million respectively.

Upon completion of the Equity Transfers, the Five Project Companies will cease to be subsidiaries of the Company; the Group will no longer hold any interest in the Five Project Companies, and their financial results will no longer be consolidated into the Group's accounts.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFERS

Pursuant to the Company's "15th Five-Year Strategic Plan", biomass power generation operation projects are non-core assets of the Company. Through the Equity Transfers of the Five Project Companies, the Company will exit

from its principal biomass power generation operation projects, thereby realizing the disposal of non-core assets, supplementing necessary working capital for the daily operation of the Company and safeguarding the sustainable development of the Company's core business.

FINANCIAL IMPLICATIONS OF THE EQUITY TRANSFERS AND USE OF PROCEEDS

The Transactions are expected to increase the profit attributable to owners of the parent of the Company by approximately RMB48.46 million, subject to the results as finally confirmed by the auditors. The Transactions will not have a material impact on the production, operation and financial position of the Company. The proceeds from the Transactions will be used to supplement the Company's daily operating capital and support the sound development of its principal business.

OPINION FROM THE BOARD

The Directors (including independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreements were determined upon fair negotiations, and the transactions contemplated under the agreements were conducted in the ordinary and usual course of business of the Company on normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Due to their positions at SEGC, Dr. WU Lei, Mr. ZHU Zhaokai and Mr. WANG Chenhao (all being Directors) have abstained from voting on the relevant Board resolutions approving the Equity Transfer Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the Equity Transfer Agreements.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SEGC is a controlling shareholder of the Company, holding approximately 43.20% equity interest in the total issued share capital of the Company. Accordingly, SEGC is a connected person of the Company as defined under Chapter 14A of the Listing Rules. The Equity Transfers constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions shall be aggregated and treated as one transaction if all are entered into within the same 12-month period or are related to each other. As the Five Project Companies under the Equity Transfers are disposed of by the Group to the same party, they shall be aggregated.

Given that the highest applicable percentage ratio (as defined under the Listing Rules) for the Equity Transfers exceeds 0.1% but all percentage ratios are less than 5%, the Equity Transfers are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but are exempt from the requirements for circular and independent shareholders' approval.

GENERAL INFORMATION

The Group

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

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

SEGC

SEGC is a limited liability company incorporated on 14 January 1985, which is principally engaged in the management of state-owned assets and investment activities. It is the controlling shareholder of the Company, and its ultimate beneficial owner is Shanghai SASAC.

Anhui Investment Company
Anhui Investment Company is a limited liability company incorporated on 26 May 2015, which is principally engaged in industrial investment; investment management and consultancy; market information consultancy and research; technical development, consultancy, services and transfer in the fields of environmental protection technology and new energy technology, and is a wholly-owned subsidiary of the Company.

Electric Investment Company
Electric Investment Company is a limited liability company incorporated on 19 March 2007, which is principally engaged in industrial investment; investment management; investment consultancy (excluding brokerage), and is a wholly-owned subsidiary of the Company.

Wuhe Project Company
Wuhe Project Company is a limited liability company incorporated on 23 September 2015, which is principally engaged in the operation of agricultural and forestry biomass power generation projects in Wuhe County, Bengbu City, Anhui Province, and is a wholly-owned subsidiary of the Company.

Tianchang Project Company
Tianchang Project Company is a limited liability company incorporated on 26 February 2016, which is principally engaged in the operation of agricultural and forestry biomass power generation projects in Tianchang City, Chuzhou City, Anhui Province, and is a wholly-owned subsidiary of the Company.

Mengcheng Project Company
Mengcheng Project Company is a limited liability company incorporated on 26 October 2015, which is principally engaged in the operation of agricultural and forestry biomass power generation projects in Mengcheng County, Bozhou City, Anhui Province, and is a wholly-owned subsidiary of the Company.

Suixi Project Company
Suixi Project Company is a limited liability company incorporated on 23 September 2015, which is principally engaged in the operation of agricultural and forestry biomass power generation projects in Suixi County, Huaibei City, Anhui Province, and is a wholly-owned subsidiary of the Company.

Xiangshui Project Company
Xiangshui Project Company is a limited liability company incorporated on 30 March 2017, which is principally engaged in the operation of agricultural and forestry biomass power generation projects in Xiangshui County, Yancheng City, Jiangsu Province, and is a wholly-owned subsidiary of the Company.

DEFINITIONS

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

"Anhui Investment Company"	Shanghai Electric (Anhui) Investment Co., Ltd.* (上海電氣（安徽）投資有限公司), a wholly-owned subsidiary of the Company;
"Board"	the board of Directors;
"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 Stock Exchange of Hong Kong Limited under stock code 02727 and the A shares of which are listed on the Shanghai Stock Exchange under stock code 601727;
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules;
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules;
"Directors"	the directors of the Company;
"Group"	the Company and its subsidiaries from time to time;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"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 announcement only, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan;
"RMB"	Renminbi, the lawful currency of the PRC;
"SEGC"	Shanghai Electric Holding Group Co., Ltd., the controlling shareholder (as defined in the Listing Rules) of the Company, directly and indirectly holding 43.20% of the total issued share capital of the Company as at the date of this announcement;
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules;
"Transactions" or "Equity Transfers"	the transfer by Anhui Investment Company, a wholly-owned subsidiary of the Company, of its 100% equity interest in Wuhe Project Company, 100% equity interest in Tianchang Project Company, 100% equity interest in Mengcheng Project Company and 100% equity interest in Suixi Project Company to SEGC, and the transfer by Electric Investment Company, a wholly-owned subsidiary of the Company, of its 100% equity interest in Xiangshui Project Company to SEGC, which were considered and approved at the Board meeting held on 29 April 2026;
"Electric Investment Company"	Shanghai Electric Investment Co., Ltd.* (上海電氣投資有限公司), a wholly-owned subsidiary of the Company;
"Wuhe Project Company"	Shanghai Electric (Wuhe) Biomass Thermal Power Co., Ltd.* (上海電氣（五河）生物質熱電有限公司), a wholly-owned subsidiary of

	the Company;
"Tianchang Project Company"	Shanghai Electric (Tianchang) Biomass Power Generation Co., Ltd.* (上海電氣（天長）生物質發電有限公司), a wholly-owned subsidiary of the Company;
"Mengcheng Project Company"	Shanghai Electric (Mengcheng) Biomass Power Generation Co., Ltd.* (上海電氣（蒙城）生物質發電有限公司), a wholly-owned subsidiary of the Company;
"Suixi Project Company"	Shanghai Electric (Suixi) Biomass Power Generation Co., Ltd.* (上海電氣（濉溪）生物質發電有限公司), a wholly-owned subsidiary of the Company; and
"Xiangshui Project Company"	Shanghai Electric Xiangshui Biomass Power Generation Co., Ltd.* (上海電氣響水生物質發電有限公司), a wholly-owned subsidiary of the Company.

By Order of the Board

Shanghai Electric Group Company Limited

HU Xupeng

Joint Company Secretary

Shanghai, the PRC, 29 April 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*