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SHANGHAI ELECTRIC GROUP COMPANY LIMITED

上海電氣集團股份有限公司

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

(Stock Code: 02727)

ANNOUNCEMENT ON THE PROGRESS OF DISPOSAL OF EQUITY INTEREST IN SUBSIDIARIES AND CONNECTED TRANSACTIONS

Reference is made to the announcement dated 29 April 2026 of Shanghai Electric Group Company Limited (the “**Company**”) in relation to the disposal of equity interest in subsidiaries (the “**Announcement**”). Unless otherwise indicated, the capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

As disclosed in the Announcement, 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 the Five Project Companies as at the valuation benchmark date, i.e. 31 October 2025, amounting to RMB426.91 million.

On 10 May 2026, each of Anhui Investment Company and Electric Investment Company entered into an Equity Transfer Agreement with SEGC. As at the date of this announcement, Tianchang Project Company, Mengcheng Project Company, Suixi Project Company and Xiangshui Project Company have all repaid in full the inter-company loans provided by Shanghai Institute of Mechanical & Electrical Engineering Co., Ltd., 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, 26 May 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*