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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 MATERIAL LITIGATIONS

This announcement is made by the board of directors of Shanghai Electric Group Company Limited (the **“Company”**) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**), and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

I. General Information on the Material Litigations

References are made to the announcements of the Company dated 4 September 2023, 30 September 2024 and 5 August 2025. The Company has provided loans totalling RMB1 billion to SINOMECH Engineering Group Co., Ltd. ***(中國能源工程集團有限公司)** (**“SINOMECH”** or the **“Borrower”**) in 2019 and 2020, and thereafter the Borrower repaid the principal amount of RMB1 million and a portion of the interests. Upon the maturity and collections, both the Borrower and the guarantors failed to fulfill their contractual obligations as agreed. The Company formally filed a lawsuit with the Shanghai Financial Court. After negotiations between the Company and China Pufa Machinery Industry Co., Ltd. ***(中國浦發機械工業股份有限公司)** (**“Pufa Machinery”**), one of the defendants, on 29 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)** (**“Shanghai Pujin”**), pursuant to which, a settlement was reached regarding the repayment plan for the principal debt portion of SINOMECH. The aforementioned lawsuit has been concluded.

In August 2025, the Company sought recovery of the outstanding indebtedness under the SINOMECH loan from SINOMECH, the guarantors, namely Shanghai Zhongyou Guodian Energy Co., Ltd. ***(上海中油國電能源有限公司)** (**“Zhongyou Guodian”**), Shanghai Changtai Electric Co., Ltd. ***(上海昌泰電氣有限公司)** and Zhongji Guoneng Engineering Co., Ltd. ***(中機國能工程有限公司)**, and other obligors, and formally commenced legal proceedings before the Shanghai Pudong New Area People's Court. The proceedings were assigned case numbers (2025) Hu 0115 Min Chu No. 94754 (**“Litigation I”**) and (2025) Hu 0115 Min Chu No. 94749 (**“Litigation II”**), respectively.

II. Progress of the Material Litigations

Recently, the Company received the civil judgment issued by the court in respect of Litigation I. The principal contents of the judgment are as follows:

1. SINOMECH shall, within 10 days from the effective date of the judgment, repay to the Company loan interest in the amount of RMB29,354,602.19 and default interest in the amount of RMB160,747,265.25;
2. SINOMECH shall, within 10 days from the effective date of the judgment, pay to the Company compound interest accrued up to 7 August 2026 in the amount of RMB14,172,233.40, together with compound interest

accrued from 8 August 2026 until the date of actual repayment, calculated on the basis of the outstanding loan interest at an annual interest rate of 8.3655%;

3. SINOMECC shall, within 10 days from the effective date of the judgment, compensate the Company for legal fees in the amount of RMB150,000;

4. If SINOMECC fails to perform the payment obligations set out in items 1 to 3 above when due, the Company may, by agreement with Zhongyou Guodian, realize the pledged equity interests under the Notice of Registration for the Establishment of Equity Pledge (Registration No. [002019] No. 0077) at a discounted value, or apply for priority repayment from the proceeds of any auction or disposal of such pledged equity interests. Any amount in excess of the amount of the claim after such discounted disposal, auction or sale shall belong to Zhongyou Guodian, and any shortfall shall remain payable by SINOMECC; and

5. The remaining claims of the Company are dismissed.

The case acceptance fee of RMB1,058,438 and preservation fee of RMB5,000, totaling RMB1,063,438, shall be jointly borne by SINOMECC and Zhongyou Guodian.

As at the date of this announcement, the Company has not yet received the judgment in Litigation II.

III. Impact of the Progress on the Profit of the Company for the Current or Subsequent Periods

Given that this judgment is the first-instance judgment in Litigation I, the defendant may file an appeal within the prescribed time limit, and this judgment has not yet taken effect. Due to the uncertainty surrounding the final judgment and the outcome of enforcement, the impact on the Company's current-period or future profits remains uncertain. The Company will make appropriate accounting treatments in accordance with the requirements of relevant accounting standards and actual circumstances, based on the progress and outcome of this case. The Company will fulfill its information disclosure obligations promptly as the litigation progresses.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board

Shanghai Electric Group Company Limited

Hu Xupeng

Joint Company Secretary

Shanghai, the PRC, 1 September 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*