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SHANGHAI REFIRE GROUP LIMITED
上海重塑能源集團股份有限公司

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

(Stock Code: 2570)

ANNOUNCEMENT IN RELATION TO PROPOSED CHANGE IN USE OF PROCEEDS FROM THE SUBSCRIPTIONS

References are made to (i) the announcement and the circular for the 2025 second extraordinary general meeting (the "**Circular**") of the Shanghai REFIRE Group Limited (the "**Company**"), together with its subsidiaries, the "**Group**"), both dated June 8, 2025, in relation to the proposed issuance of Domestic Shares under Specific Mandate and the Subscription Agreements (the "**Subscriptions**"); (ii) the announcement (the "**Previous Announcement**") and the circular for the 2025 annual general meeting (the "**2025 AGM**") of the Company (the "**2025 AGM Circular**"), both dated April 24, 2026, in relation to, among others, the proposed change in use of proceeds from the Subscriptions (the "**Previous Proposed Change in Use of Proceeds from the Subscriptions**"); (iii) the supplemental announcement dated May 15, 2026 in relation to, among others, the provision of further information regarding the Previous Proposed Change in Use of Proceeds from the Subscriptions; (iv) the poll results announcement of the 2025 AGM dated May 18, 2026; and (v) the 2026 interim report of the Company dated August 28, 2026. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular and the 2025 AGM Circular.

Having considered the reasons set out in the paragraph headed "Reasons for and benefits of the Proposed Change in Use of Proceeds from the Subscriptions" below, the Board has resolved to make further adjustments to the intended use of net proceeds from the Subscriptions by reallocating part of the funds originally intended to be used for the research and development ("**R&D**") activities in respect of hydrogen fuel cell systems and hydrogen production equipment for applications in diversified scenarios hydrogen energy equipment in the sum of RMB50.0 million, of which (i) RMB10.0 million will be reallocated for the Group's business development, market expansion, and commercialization operations; and (ii) RMB40.0 million will be reallocated for the development of the Group's comprehensive operational capabilities (the "**Proposed Change in Use of Proceeds from the Subscriptions**").

Pursuant to the articles of association of the Company, the Proposed Change in Use of Proceeds from the Subscriptions is subject to the approval from the shareholders of the Company (the "**Shareholders**"). Therefore, the Proposed Change in Use of Proceeds from the Subscriptions shall become effective upon approval by the Shareholders by way of an ordinary resolution at a general meeting of the Company. Relevant resolution for the Proposed Change in Use of Proceeds from the Subscriptions will be proposed at the 2026 second extraordinary general meeting of the Company to be held on Monday, October 12, 2026 (the "**EGM**").

As disclosed in the Circular, the Group's net proceeds from the Subscriptions were approximately RMB272.2 million. As of June 30, 2026, the net proceeds of approximately RMB207.1 million have been utilized, and approximately RMB65.1 million remains unutilized. The details of the allocation of net proceeds from the Subscriptions and the net proceeds utilized and unutilized as of June 30, 2026 are set out in the following table:

Intended use	**Utilized as of June 30, 2026** *(in RMB Million)*	**Unutilized as of June 30, 2026** *(in RMB Million)*	**Allocation of net proceeds before the change** *(in RMB million)*	**Percentage of net proceeds before the change**	**Intended utilization timetable for unutilized net proceeds**
A construction project of an R&D center for hydrogen fuel cell systems and hydrogen energy equipment	6.7	1.3	1.3	0.8%	By December 31, 2028
R&D activities in respect of hydrogen fuel cell systems and hydrogen production equipment for applications in diversified scenarios	18.9	63.6	63.6	41.0%	By December 31, 2028
Replenishment of working capital	181.5	0.2	0.2	58.2%	By December 31, 2028
	207.1	**65.1**	**65.1**	**100.0%**	

If the Proposed Change in Use of Proceeds from the Subscriptions is approved by the Shareholders at the EGM, the details of the allocation of the net proceeds from the Subscriptions and the expected utilization timetable after such change are set out in the following table:

Intended use	**Percentage of unutilized net proceeds after the change**	**Allocation after the change** *(in RMB million)*	**Intended utilization timetable for unutilized net proceeds** *(Note 1)*
A construction project of an R&D center for hydrogen fuel cell systems and hydrogen energy equipment	2.0%	1.3	By December 31, 2028
R&D activities in respect of hydrogen fuel cell systems and hydrogen production equipment for applications in diversified scenarios	20.9%	13.6	By December 31, 2028
Replenishment of working capital	0.3%	0.2	By December 31, 2026 *(Note 2)*
The Group's business development, market expansion, and commercialization operations	15.4%	10.0	By December 31, 2028
Development of the Group's comprehensive operational capabilities	61.4%	40.0	By December 31, 2028
	100.0%	**65.1**	

Notes:

(1) The intended utilization timetable for the unutilized net proceeds from the Subscriptions is based on the Group's current best estimate and is subject to changes depending on the Group's uncontrollable future development and activities.

(2) As of June 30, 2026, the remaining amount of the unutilized net proceeds under this use is very small. Taking into account the Company's actual operating capital needs, it is expected that such unutilized net proceeds will be fully utilized by the end of December 2026 (instead of by the end of December 2028 as originally contemplated).

REASONS FOR AND BENEFITS OF THE PROPOSED CHANGE IN USE OF PROCEEDS FROM THE SUBSCRIPTIONS

The intended use of net proceeds from the Subscriptions as disclosed in the Previous Announcement and the 2025 AGM Circular was formulated based on the Company's estimation of the then-current and future market conditions as of the date of the Previous Announcement and the 2025 AGM Circular. The Board assesses the plans for the use of the unutilized net proceeds on an ongoing basis and revises or modifies such plans where necessary in response to the developing trends of its business in domestic and overseas markets, so as to determine the most effective use of the net proceeds with a view to promoting a better growth and development of the Group.

The Board has considered the following factors in proposing the Proposed Change in Use of Proceeds from the Subscriptions:

(i) The Group's strategic business development

The global energy landscape is undergoing an accelerated transition towards clean and diversified energy sources. Building on its existing businesses, the Group has been actively expanding its presence in emerging businesses and markets and identifying new growth drivers comprising overseas market expansion and data center power supply business, such as power for data centers, power supply in grid-constrained scenarios and power generation equipment. The Board believes that these new growth drivers will continue to expand and present new development opportunities for the hydrogen energy industry and the Proposed Change in Use of Proceeds from the Subscriptions will better support the Group's strategic layout and implementation of its new business, and is more aligned with the Group's medium-to-long-term development strategy.

(ii) Changes in market conditions

With the global development of artificial intelligence ("**AI**") and increased AI capital expenditure, demand for energy in relevant fields has become increasingly evident, and the Group intends to accelerate its commercialization efforts to capture the current window of opportunity for market development. In addition, customers in the new business segments have higher requirements for the suppliers' commercialization operation capabilities, including supply chain stability, project delivery capacity and localized service capabilities. The Board considers that the Proposed Change in Use of Proceeds from the Subscriptions to business development, market expansion, commercialization operations and the enhancement of the Group's overall operational capabilities will enable the Group to better respond to these evolving market conditions.

(iii) Improved utilization of the efficiency of the Proceeds

The utilization of certain portions of the net proceeds from the Subscriptions originally allocated to R&D activities in respect of hydrogen fuel cell systems and hydrogen production equipment for applications in diversified scenarios has been slower than originally anticipated. The Board considers that Proposed Change in Use of Proceeds from the Subscriptions will improve the overall utilization efficiency of the net proceeds from the Subscriptions and provide more effective support for the Group's new business development. As of June 30, 2026, the Group had utilized approximately RMB18.9 million of the net proceeds from the Subscriptions for R&D activities in respect of hydrogen fuel cell systems and hydrogen production equipment for applications in diversified scenarios.

Having taken into account the actual progress of the relevant R&D activities and the higher requirements by the customers as mentioned above, the Board is of the view that the reallocation of RMB50.0 million to business development, market expansion, commercialization operations and the enhancement of the development of the Group's comprehensive operational capabilities will more effectively enable the Group to capture emerging industry opportunities and accelerate its new business deployment.

Since the Previous Change in Use of Proceeds from the Subscriptions, market demand for new business areas such as Artificial Intelligence Data Centre (AIDC) power supply solutions has become increasingly clear, and the Group's discussions with potential customers and relevant project opportunities have been progressing steadily. Consequently, the Board is of the view that it is necessary to invest further capital in order to align with the development pace of these new businesses. As the development of existing businesses and customer demand are relatively stable and based on the current product development for the Group's existing businesses, the remaining net proceeds of RMB 13.6 million are expected to be sufficient for the intended use of R&D activities with an aim to meeting customer requirements for validation and product upgrade.

In view of the above, the Board considers that the Proposed Change in Use of Proceeds from the Subscriptions is in line with the Group's strategic business development needs, will effectively support the sustainable development of the Group and enhance the Group's overall competitiveness, and is in the interests of the Company and its Shareholders as a whole.

It is intended that the reallocated net proceeds from the Subscriptions will be utilized in the manner detailed as follows:

(a) The Group's business development, market expansion, and commercial operations

Such proceeds will be used primarily for market expansion and customer acquisition for the Company's emerging businesses. The Company will accelerate the deployment and expansion in new business areas by seizing business opportunities in emerging application scenarios for hydrogen energy. Building on its existing industrial foundation and technological expertise, as well as its global business network, the Company will proactively explore strategic cooperation opportunities in emerging application fields and cultivate new business growth drivers. Meanwhile, the Company will optimize its commercialized operation system to enhance market responsiveness and customer service capabilities, in line with the needs of new business development. The Group will use the net proceeds for product iteration, market development, and sales network establishment in new markets.

(b) Development of the Group's comprehensive operational capabilities

The Group intends to use the net proceeds for the iteration and upgrading of critical components and the establishment of a supply chain management system, and to conduct the R&D, upgrading, validation and optimization of core components in response to new business needs and the requirements of overseas certification systems. The Group will also optimize inventory and spare parts management, and stock core components based on the status of new business orders to ensure production continuity and timely delivery, and to support after-sales service and on-site operation and maintenance needs for these overseas markets. To this end, the recruitment of additional personnel, leasing and maintenance of office premises, travel expenses and other working capital will be required.

Save as the aforesaid changes, there is no other change in the use of unutilized net proceeds from the Subscriptions. The nature of the Group's principal business remains unchanged from that previously disclosed. The Board considers that the Proposed Change in Use of Proceeds from the Subscriptions are fair and reasonable, will enhance the efficiency of resource utilization, and is in the interest of the Group and its Shareholders as a whole.

The Company will continue to provide the Shareholders with updates on the progress of the utilization of the remaining net proceeds through its future annual and interim reports. The Company will also make further announcement(s) in accordance with the requirements of the Listing Rules as and when appropriate.

THE EGM

The Proposed Change in Use of Proceeds from the Subscriptions is subject to approval by the Shareholders by way of an ordinary resolution at the EGM. A circular containing, among other things, details of the Proposed Change in Use of Proceeds from the Subscriptions and the notice of the EGM, will be despatched to the Shareholders on or around September 18, 2026.

By order of the Board
Shanghai REFIRE Group Limited
Mr. LIN Qi
Chairman of the Board

Hong Kong, September 18, 2026

As at the date of this announcement, the Board comprises Mr. LIN Qi, Dr. HU Zhe, Ms. MA Audrey Jing Nan, Dr. ZHAI Shuang and Mr. ZHAO Yongsheng as executive Directors, Mr. LIU Huiyou as non-executive Director, and Mr. LI Wei, Dr. QIAN Meifen and Mr. CHEN Fei as independent non-executive Directors.