

2026

INTERIM REPORT

Shanghai Electric Group Company Limited

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CORPORATE PROFILE

Corporate Information

Legal name of the Company (Chinese)	上海電氣集團股份有限公司
Abbreviated legal name of the Company (Chinese)	上海電氣
Legal name of the Company (English)	Shanghai Electric Group Company Limited
Abbreviated legal name of the Company (English)	Shanghai Electric
Company's legal representative	Wu Lei
Company's authorized representatives	Wu Lei, Zhu Zhaokai
Company's alternative authorized representative	Hu Xupeng
Joint Company Secretaries	Hu Xupeng, Leung Kwan Wai

Contact Person and Contact Details

	Secretary to the Board
Name	Hu Xupeng
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Summary of Basic Information

Registered address	No. 16 Lane 1100, Huashan Road, Shanghai (zip code: 200052)
Business address	No. 110 Sichuan Middle Road, Huangpu District, Shanghai (zip code: 200002)
Company website	www.shanghai-electric.com
Company email	service@shanghai-electric.com

Information Disclosure and Place for Inspection of Interim Report of the Company

Company's designated newspapers for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times
The place for inspection of interim report of the Company	Office of the Board of the Company
Website designated for publishing interim report required by China Securities Regulatory Commission	www.sse.com.cn
Website designated for publishing interim report required by The Stock Exchange of Hong Kong Limited	www.hkexnews.hk

Summary Information of the Company's Shares

Class of Shares	Place of Listing of Shares	Abbreviation of Shares	Stock Code
A shares	The Shanghai Stock Exchange	上海電氣	601727
H shares	The Stock Exchange of Hong Kong Limited	SH Electric	02727

Share Registrar and Transfer Office

A shares: Shanghai Branch of China Securities Depository and Clearing Corporation Limited

H shares: Computershare Hong Kong Investor Services Limited

Other Relevant Information

Date of incorporation of the Company	1 March 2004
Place of incorporation of the Company	Shanghai, PRC
Legal advisers appointed by the Company as to PRC laws	Grandall Law Firm (Shanghai)
Legal advisers appointed by the Company as to Hong Kong laws	Clifford Chance

PERFORMANCE HIGHLIGHTS

- Total revenue of the Company for first half of 2026 was **RMB63,332 million**, an increase of **16.6%** as compared with the corresponding period of last year

 - Net profit attributable to owners of the Company for first half of 2026 was **RMB970 million**, an increase of **18.2%** as compared with the corresponding period of last year

 - Basic earnings per share of the Company for first half of 2026 was **RMB0.062 yuan**, an increase of **17.0%** as compared with the corresponding period of last year

 - New orders for first half of 2026 amounted to **RMB100.39 billion**

 - The Board did not propose to declare an interim dividend for 2026
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CHAIRMAN'S STATEMENT



Chairman **Wu Lei**

In the first half of 2026, China's development took place in a period marked by both strategic opportunities and risks and challenges, accompanied by growing uncertainties. Amidst a complex and turbulent external environment, the domestic economy withstood pressure and sustained an overall stable development trajectory, progressing toward higher quality and more innovative growth. Adhering to the overarching principle of "serving national strategies, aligning closely with national needs, developing new quality productive forces, building core competitiveness, and achieving high-quality development", the Group advanced all work streams in a solid and orderly manner, laying a strong foundation for accomplishing the full-year targets.

Results Review

During the six months ended 30 June 2026 (the "Reporting Period"), the Company achieved total revenue of RMB63,332 million, representing a year-on-year increase of 16.6%. The gross profit margin of the Company for the Reporting Period was 18.6%. The net profit attributable to owners of the Company for the Reporting Period was RMB970 million, representing a year-on-year increase of 18.2%. The basic earnings per share of the Company for the Reporting Period was RMB0.062 yuan, representing a year-on-year increase of 17.0%.

During the Reporting Period, the Company secured new orders totaling RMB100.39 billion. Of the new orders, energy equipment amounted to RMB64.24 billion (including: coal-fired power generation equipment of RMB20.23 billion, nuclear power equipment of RMB4.57 billion, wind power equipment of RMB12.39 billion, and energy storage equipment of RMB11.44 billion), orders for industrial equipment amounted to RMB21.25 billion, and orders for integration services amounted to RMB14.91 billion.

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

Anchoring the Strategic Opening to Elevate Industrial Competitiveness

The Company adhered to strategic guidance and focused on its core business of high-end equipment manufacturing. Centered on the theme of "high-quality development", the Company remained committed to serving national strategies, with comprehensively deepening reforms as the focus, and using the start of the 15th Five-Year Plan as an opportunity to drive industrial upgrading. Aligned with our mission and responsibilities in serving the nation's quest for strength, advancing new industrialization, and contributing to the city's "Five Centers" development, the Company was deeply integrated into the transformative trends of intelligence, green development, and industrial convergence. The Company accelerated its transformation from a traditional equipment manufacturer to an integrated industrial intelligence service provider. With a firm focus on the strategic goals of the 15th Five-Year Plan, the Company is promoting the coordinated development of traditional industries, strategic emerging industries, and future industries. For traditional industries, the Company will rely on technological transformation and digital empowerment to enhance industrial competitiveness, striving to achieve independent control over core technologies and fortify the security foundation of industrial and supply chains. For strategic emerging industries, the Company will closely align with national strategies, refine technology and market plans, build self-controllable industrial chains, and cultivate diversified growth drivers. For future industries, the Company is making forward-looking arrangements in cutting-edge sectors such as AI-powered high-end equipment, hydrogen energy, intelligent robotics, commercial aerospace, and controlled nuclear fusion equipment, thereby building a tiered and synergistic industrial development pattern.

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, in which two core equipment for the main machine system of the compact controlled nuclear fusion experimental device (BEST)

— the first 1/8-sector vacuum vessel and the first two sets of mid-plane cold screens for the 1/8 sector vacuum vessel as well as the lower-port cold screen, were successfully manufactured, delivered, and accepted, laying a solid foundation for the main machine assembly and system integration of the project. This marked a major step forward in China's continuous pursuit of engineering-scale, localized, and independent manufacturing capabilities in the extreme manufacturing of fusion reactor components. During the Reporting Period, we continued to advance the core technology R&D and iteration of green fuels. We have built a comprehensive technology matrix covering renewable energy power generation, hydrogen production from electrolyzed water, biomass gasifiers, methanol synthesis and carbon capture. We successfully won the bid for and officially commenced the EPC Phase I, Section 1 of the Lanzhou New Area 100,000-tonne-per-year Biomass Green Methanol Project, the first biomass gasifier-to-green methanol project in Gansu Province, which marked the formal entry into the stage of scalable replication of our proprietary full-industry-chain technology system for green methanol production from biomass gasifiers coupled with green power following its successful validation in the Taonan demonstration project in Jilin Province. During the Reporting Period, we signed a contract with Inner Mongolia Baofeng Coal-based New Materials Co., Ltd. to supply eight 1250 Nm³/h alkaline electrolyzers and the world's largest single-set 5000 Nm³/h separation and purification system for the world's first single-plant largest-scale green hydrogen + coal to olefin coupling demonstration project.

We have consolidated our industrial foundation through intelligent manufacturing upgrading, high-end equipment breakthroughs and full life cycle services, and fostered a tiered and coordinated industrial development landscape. Phase I of the Large Forgings and Castings Industrial Capacity Upgrading Project undertaken by Shanghai Electric SHMP Casting & Forging Co., Ltd. officially broke ground in Minhang District. The project aims to build a research, manufacturing and application hub for large high-end materials serving Shanghai and the Yangtze River Delta region, as well as a world-class digital intelligent rapid forging production line for large special alloy ingots with a 100MN capacity, which will primarily cater to strategic frontier sectors including advanced nuclear energy,

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aviation, aerospace and marine engineering. 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 terms of elevator segment, Shanghai Mitsubishi Elevator Co., Ltd. ("SMEC"), a subsidiary of the Company, was awarded China's first carbon footprint certificate for high-speed elevators issued by the National Elevator Testing and Evaluation Center (NETEC). SMEC secured the contract for the 180,000th set of the LNK Smart Elevator Digital Solution, with digital transformation and service extension continuously deepened. During the Reporting Period, core manufacturing affiliates of the Company, including Shanghai Generator Works and Shanghai Power Station Auxiliary Machinery Factory Co., Ltd. under Shanghai Electric Power Generation Equipment Co., Ltd., Shanghai No.1 Machine Tool Works Co., Ltd., Wuxi Turbine Blade Co., Ltd. and Shanghai Electric Group (Zhangjiagang) Transformer Co., Ltd., were selected into the list of newly cultivated "Green Factories" for 2025 released by the Ministry of Industry and Information Technology.

Accelerating Market Expansion to Expand Diversified Business Landscape

We focused on supporting the construction of a new-type power system, consolidated our market position in the coal, gas and nuclear power sectors, strived to enhance our competitiveness in the new energy sector, and accelerated expansion and layout in 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 18 nuclear island main equipment units, won bids for 2 sets of conventional island equipment, and successfully produced 9 nuclear island main equipment units, encompassing the fully promoted mass construction of 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)" initiative for 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 bids for the three main units of projects including SPIC Hainan Prefecture Gobi Base 4x660MW Project (國家電投海南州戈壁基地 4x660MW) and Zhejiang Energy Changxing Power Plant Relocation 2x1000MW Project (浙能長興電廠遷建 2x1000MW 項目), as well as China Energy Gansu Badain Jaran Desert 4x1000MW Project (國家能源甘肅巴丹吉林沙漠 4x1000MW 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 signed a supply contract with CGN New Energy and we will provide four sets of gas turbines and the complete main equipment for combined cycles for the Jilin Lishu and Changling gas power projects, which will be supported with tailored special technical solutions and one-stop proprietary services covering the entire life cycle by adopting the "gas turbine + new energy" model. The No. 4 combined cycle unit of the Jiangyin Gas Turbine Cogeneration Project undertaken by us has successfully passed the 168-hour full-load trial operation. In terms of wind power, during the Reporting Period, we successively secured full turbine orders for key offshore wind projects including Fujian Changle Offshore Zone K, Hainan CZ2 Phase II, Jiangsu Qidong H4, Binhai South Zone H4 and Dongtai H5. We won bids for offshore wind projects with a total capacity exceeding 2GW, placing us among the industry leaders in market share. For onshore 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, obtained nearly one million kilowatts of annual wind power centralized procurement orders issued by State Power Investment Corporation, ranking first in both bid capacity and number of bid sections. We delivered a series of landmark onshore wind power projects and successfully expanded into emerging wind power application scenarios within Sinopec's oil and gas mining areas. The "Zhizhen 100" (至臻 100) maintenance mother vessel of SEWP won bids for the safety support service contract for the Qingzhou No.5 and No.7 offshore conversion stations, which ranks as the world's largest-scale and highest-voltage flexible HVDC transmission project for far-offshore wind power, marking that the offshore operation and maintenance supporting capacity of SEWP has formally joined the service ecosystem for world-class mega projects. In terms of energy storage, the Huai'an Salt Cavern Compressed Air Energy Storage Demonstration Project, the world's largest compressed air energy storage power station in which we participated in construction, was fully commissioned. We supplied complete

sets of equipment including air-cooled generators, electric motors, cold molten salt tanks and hot molten salt tanks for the project. The 50MW/200MWh independent energy storage power project located in Shanghai Songjiang Free Trade Zone, where we serve as a participating constructor, officially broke ground. It is the first project to commence construction among Shanghai's first batch of independent energy storage power station construction schemes for 2026.

We advanced our "internationalization" strategy in an orderly manner, continuously enhancing our capabilities in global resource integration and system solutions. Through higher-level open collaboration, we promoted the transformation of overseas business from engineering equipment supply to localized in-depth development. During the Reporting Period, by leveraging its technological expertise in premium elevator solutions for high-end scenarios and its continuous expansion into overseas markets, SMEC won bids for the Phase II of the Palm Jebel Ali project in Dubai, for which it will provide 700 elevators and related supporting services. Our power transmission and distribution business made its maiden entry into the high-end European market at scale, won bids for the supply project for low- and high-voltage switchgear cabinets for hyper-scale data center in Finland, and will deliver highly reliable intelligent power distribution solutions for the campus. During the Reporting Period, we signed the contract for the Minety Phase II Shiling energy storage 50MW/150MWh project in the United Kingdom (英國門迪二期石嶺儲能 50MW/150MWh 項目), marking a phased achievement in our deep-rooted presence in the UK's premium energy storage market. Shenzhen Yinghe Technology Co., Ltd. ("Yinghe Technology") (贏合科技股份有限公司), a subsidiary of the Company, leveraging its technological accumulation and customized service capabilities in lithium battery manufacturing equipment, steadily expanded its overseas footprint, providing comprehensive new energy production solutions to clients across Europe, Southeast Asia, and other regions.

Advancing Technological Innovation to Forge New Quality Productive Forces

In the first half of 2026, Shanghai Electric advanced technological innovation along its dual tracks of "Energy Equipment + Industrial Intelligence": the "Suyuan 2.0" humanoid robot made its domestic debut, more than 40 AI agents were deployed across R&D, production, and

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maintenance scenarios, while green equipment solutions, including 25MW offshore wind turbines, all-vanadium redox flow battery/compressed air energy storage, and hydrogen internal combustion engine marine propulsion, continued to achieve breakthroughs, propelling high-end manufacturing toward greater autonomy and AI integration.

We regarded technological innovation as the core engine driving development, adhered to organized research, and achieved continuous breakthroughs in both common foundational technologies and critical core technologies, while playing a pioneering and leading role in developing new quality productive forces and attaining high-level self-reliance in science and technology. During the Reporting Period, 1300MW-class nuclear power water-hydrogen-cooled four-pole generator, which was independently developed by Generator Plant of Shanghai Electric Power Generation Equipment Co., Ltd. (上海電氣電站設備有限公司發電機廠), passed authoritative certification. Featuring proprietary intellectual property rights and overall technical performance reaching the world's leading level, the generator provided strong support for the mass construction of the Hualong No. 1 nuclear power units. The Sustainable Aviation Fuel Key Technologies and Pilot-scale Verification project, for which we undertook the construction of the main facilities, successfully produced 100% sustainable aviation fuel (SAF), with designed annual production capacity of up to 5000 tonnes for Grease-based SAF. The implementation plan for the Direct Green Power Supply Projects for Degradable Plastics, jointly filed by us and Shandong UniFortune Group (山東恒信集團), was officially approved, which is oriented toward the degradable plastics industry and aims to build a green resource circular power supply system featuring "new energy + energy storage + direct connection + industrial loads". In the low-altitude economy sector, the megawatt-class aviation hybrid propulsion system, jointly developed with our participation, completed ground performance tests for the megawatt-class hybrid propulsion system, filling the gap in the engineering application of high-power high-speed aviation generator systems.

We remained committed to open innovation, deepening collaboration with universities and scientific research institutes to build a robust and efficient ecosystem for scientific and technological innovation. During the Reporting Period, the

"Shanghai Key Laboratory of Efficient Synthesis of Green Fuels (under preparation) (上海市綠色燃料高效合成系統工程重點實驗室(籌))", led by Shanghai Electric and jointly established with East China University of Science and Technology, was officially inaugurated. The laboratory focuses on addressing forward-looking and disruptive technological challenges in the efficient synthesis and application of green fuels, including green alcohol, green ammonia, and sustainable aviation fuel. The "Shanghai Key Laboratory of Large-scale Casting and Forging Materials and Extreme Manufacturing for High-end Equipment (under preparation) (上海市大型鑄鍛件新材料與極端製造重點實驗室(籌))" was also officially inaugurated, integrating Shanghai Electric's industrial expertise with the innovation resources of Shanghai Jiao Tong University, with a focus on tackling bottleneck material challenges critical to the implementation of major national strategies, including next-generation advanced nuclear power, nuclear fusion, deep-sea equipment, and heavy gas turbine. The Shanghai Electric sub-center (steam turbine) of the "National Key Laboratory of Structural Strength and Life of Major Equipment in Complex Service Environments (複雜服役環境重大裝備結構強度與壽命全國重點實驗室)" was jointly established by Shanghai Turbine Works Co., Ltd., 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 Xi'an Jiaotong University, and was officially inaugurated. During the Reporting Period, "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)" of Shanghai Electric Nuclear Power Group Co., Ltd. (上海電氣核電集團有限公司), a subsidiary of the Company, was selected for the second batch of the Ministry of Industry and Information Technology's Key Cultivation Pilot-Scale Platform list. Additionally, Shanghai Electric Power Transmission and Distribution Test Center was included in the Ministry of Industry and Information Technology's "Seventh Batch of Industrial Technology Infrastructure Public Service Platforms" list.

Our core industrial technologies have been continuously improved, and our independent R&D projects have received multiple awards. The project "R&D and Industrialization of Steam Generators and Reactor Pressure Vessels for Core Equipment of Hualong No. 1 Nuclear Island" (《華龍一號核島主設備蒸汽發生器、反應堆壓力容器研製及產業化》) led by Shanghai Electric Nuclear Power Equipment Co., Ltd.,



and the project "Homogenization Thermal Manufacturing Technology and Engineering Application of Large Forgings and Extra-Thick Plates for Extreme Environments" (《極端環境用大鍛件及特厚板的均質化熱製造技術與工程應用》) participated by Shanghai Electric SHMP Casting & Forging Co., Ltd., were awarded the Second Prize of the 2025 Shanghai Science and Technology Progress Award. The project "Key Technologies and Applications for Risk Prevention, Control and Resilience Regulation of High-Density Train Group Operations" (《高密度列車群運行風險防控與韌性調控關鍵技術與應用》) participated by Shanghai Electric Trusted & Safe Transportation Limited Company, and the project "High-Hardness and High-Toughness Nano-Multilayer Coated Cutting Tools and Key Technologies and Their Application in Aerospace Material Processing" (《高硬韌納米多層塗層刀具和關鍵技術及其在航空材料加工的應用》) participated by Shanghai Tool Works Co., Ltd., were awarded the Second Prize of the 2025 Shanghai Technology Invention Award. The project "Lubrication Material Technology and Engineering Application for Reliable Service of Equipment under Extreme Conditions" (《極端工况裝備可靠服役潤滑材料技術及工程應用》) participated by Shanghai Tian'an Bearing Co., Ltd., was awarded the First Prize of the 2025 Gansu Science and Technology Progress Award. The project "Batch Manufacturing and Application Demonstration of Hollow Stationary Blades for Steam Turbines Based on Novel LPBF Laser Additive Manufacturing Process" (《基于新型LPBF激光增材工藝的汽輪機空心靜葉批量製造及應用示範》) submitted by Shanghai Electric was selected as a "Typical Application Scenario" case in the Ministry of Industry and Information

Technology's "Outstanding Typical Cases of Future Industry Innovation and Development (First Batch)" (《未來產業創新發展優秀典型案例（第一批）》).

Focusing on Management Efficiency Enhancement to Strengthen the Foundation for Development

We have endeavored to enhance the quality and efficiency of management and control, deepened management reform, refined the management and control model, optimized resource allocation, and improved the Group's overall effectiveness. During the Reporting Period, the Company's treasury system was fully put into operation, achieving closed-loop online management across the entire process of core businesses including account management, financing and settlement, thereby building a solid safeguard for the Group's secure fund operations and providing strong support for the Group's digital and intelligent financial transformation and penetrating control. We were approved to access the supply chain note platform of the Shanghai Commercial Paper Exchange, becoming one of the first Shanghai state-owned enterprises to obtain such access qualification. This enables us to provide suppliers with services such as online price comparison and instant note discounting, delivering tangible cost reductions and efficiency improvements for upstream and downstream enterprises in the industrial chain, while significantly enhancing the centralized management and coordinated utilization capabilities of notes, and further advancing the Group's treasury system development. We have steadily and prudently advanced internationalization,

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establishing a "1+N+6" international business management architecture to coordinate global footprint expansion and localized operations, and enhance global resource allocation capabilities and management and control levels. During the Reporting Period, we set up regional headquarters in Central Asia, Southeast Asia, and the Middle East and North Africa, driving the Group's global business from decentralized presence towards collaborative integration, and ushering in a new stage of institutionalized, localized and in-depth development. We have advanced digital transformation by comprehensively strengthening digital management and control, building a unified digital platform to address complex management and control requirements across multiple tiers and business formats, and implementing a tiered, categorized, and precisely delegated management model to enable group-wide visibility, top-down linkage, and intelligent decision-making. We have made all-out efforts to drive digital transformation and upgrading, adhering to the principles of planning-led, phased implementation and dynamic optimization, accelerating enterprise digital transformation and upgrading, so as to promote cost reduction and efficiency improvement, and further realize flexible manufacturing. We have also made comprehensive arrangements for digital business, further optimizing industrial layout, reinforcing service and support capabilities, steadily consolidating and enhancing smart manufacturing and equipment, smart energy, and smart management, control and operation businesses, while accelerating the cultivation of incremental digital businesses and building independent core competencies.

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. In addition, we organized training programs for chief technicians, model workers and skilled craftsmen, so as to accelerate the cultivation of versatile and highly skilled talents that meet the development needs of the high-end equipment manufacturing industry.

Looking ahead to the second half of 2026, we will take the Group's 15th Five-Year Strategic Plan as our guide. With "high-quality development" as the theme, we will adhere to the principle of "serving national strategies, aligning closely with national needs". Taking "full and rigorous Party self-governance" as the fundamental guarantee and with "comprehensively deepening reform" as the focus, we will concentrate on three new breakthroughs in efficient collaboration, internationalization and digitalization. We will firmly grasp the work approach of "serving national strategies, aligning closely with national needs, developing new quality productive forces, building core competitiveness, and achieving high-quality development", uphold the development direction of "high-endization, intelligence, greenization and integration", so as to open a new chapter of the high-quality development during the 15th Five-Year Plan period.

Wu Lei

Chairman

Shanghai, the PRC

28 August 2026



MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Company achieved total revenue of RMB63,332 million, representing a year-on-year increase of 16.6%. The net profit attributable to owners of the Company was RMB970 million, representing a year-on-year increase of 18.2%.

Principal Activities and Operation Review of the Company

Energy Equipment

During the Reporting Period, the energy equipment segment achieved total revenue of RMB36,558 million, representing a year-on-year increase of 21.4%, which was mainly due to the year-on-year increase in sales revenue of the wind power and energy storage business. During the Reporting Period, the gross profit margin of the energy equipment segment was 18.7%.

Industrial Equipment

During the Reporting Period, the industrial equipment segment achieved total revenue of RMB18,954 million, representing a year-on-year increase of 1.9%, which was mainly due to the year-on-year increase in the industrial basic components business. During the Reporting Period, the gross profit margin of the industrial equipment segment was 18.1%.

Integration Services

During the Reporting Period, the integration services segment achieved total revenue of RMB10,862 million, representing a year-on-year increase of 31.5%, which was mainly due to the year-on-year increase of revenue from engineering projects. During the Reporting Period, the gross profit margin of the integration services segment was 14.3%.



Major Financial Data and Indicators

Unit: '000; Currency: RMB

	As at the end of the Reporting Period	As at the end of last year	Increase/decrease as at the end of the Reporting Period as compared to the end of last year (%)
Total assets	331,631,506	325,370,766	1.9
Equity attributable to owners of the Company	55,349,712	54,694,720	1.2
Net assets per share attributable to owners of the Company (Yuan/share)	3.56	3.51	1.4

	The Reporting Period	The corresponding period of last year	Year-on-year Change (%)
Total revenue	63,331,968	54,303,335	16.6
Operating revenue	63,030,610	54,007,759	16.7
Operating profit	2,568,375	2,813,273	-8.7
Total profit	2,570,867	2,831,667	-9.2
Net profit attributable to owners of the Company	969,994	820,752	18.2
Net profit attributable to owners of the Company after deducting non-recurring profit or loss	550,135	545,677	0.8
Basic earnings per share (Yuan/share)	0.062	0.053	17.0
Diluted earnings per share (Yuan/share)	0.062	0.053	17.0
Weighted average return on net assets (%)	1.76	1.53	An increase by 0.23 percentage point
Net cash flow generated from operating activities	3,259,299	1,568,155	107.8
Net cash flow per share generated from operating activities (Yuan)	0.21	0.10	110.0

Notes to the major financial data and indicators:

- During the reporting period, the Company's improved performance was attributable to enhanced operating results across its core business segments, with total revenue and net profit attributable to owners of the Company increasing compared to the same period last year. Basic earnings per share and diluted earnings per share also increased year-on-year.
- The Company achieved year-on-year growth in net cash flows from operating activities, mainly due to the year-on-year increase in the cash received from selling goods and providing services.

Major Financial Reporting Items and Analysis of Changes

Unit: 100 million; Currency: RMB

	The Reporting Period	The corresponding period of last year	Year-on-year Change (%)
Operating revenue	630.31	540.08	16.7
Operating cost	515.13	439.63	17.2
Selling and distribution expenses	15.54	14.82	4.9
General and administrative expenses	37.86	34.36	10.2
Research and development expenditures	30.87	25.46	21.2
Financial expenses	6.45	3.05	111.5
Net cash flows from operating activities	32.59	15.68	107.8
Net cash flows from investing activities	-38.49	-53.39	N/A
Net cash flows from financing activities	12.10	-0.34	N/A

MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of Changes

Reasons for change in financial expenses: mainly due to the exchange rate fluctuations during the Reporting Period.

Reasons for change in net cash flows from operating activities: mainly due to the year-on-year increase in cash received from selling goods and providing services.

Reasons for change in net cash flows from investing activities: mainly due to the year-on-year increase of the net cash received from negotiable certificate of deposit.

Reasons for change in net cash flows from financing activities: mainly due to the year-on-year increase in cash received from bond issuance.

Assets and Liabilities

As at 30 June 2026, total assets of the Group were RMB331,632 million (31 December 2025: RMB325,371 million), representing an increase of RMB6,261 million, or 1.9%, compared with that of the beginning of the year. Among which, current assets were RMB231,073 million (31 December 2025: RMB221,107 million), representing an increase of RMB9,966 million from the beginning of the year and accounting for 69.7% of the total assets. Non-

current assets were RMB100,559 million (31 December 2025: RMB104,264 million), representing a decrease of RMB3,705 million from the beginning of the year and accounting for 30.3% of the total assets.

As at 30 June 2026, total liabilities of the Group were RMB251,169 million (31 December 2025: RMB245,464 million), representing an increase of RMB5,705 million, or 2.3%, compared with that of the beginning of the year. Among which, current liabilities were RMB217,784 million (31 December 2025: RMB209,278 million), representing an increase of RMB8,507 million from the beginning of the year. Non-current liabilities were RMB33,385 million (31 December 2025: RMB36,186 million) representing a decrease of RMB2,801 million from the beginning of the year.

As at 30 June 2026, total net current assets of the Group were RMB13,289 million (31 December 2025: RMB11,830 million), representing an increase of RMB1,459 million from the beginning of the year.

Source of Funding and Indebtedness

As at 30 June 2026, the Group had an aggregate amount of bank and other borrowings and bonds of RMB45,754 million (31 December 2025: RMB45,390 million), representing an increase of RMB364 million as compared with that as of the



beginning of the year. Borrowings and bonds repayable by the Group within one year amounted to RMB19,250 million, representing an increase of RMB2,693 million as compared with that as of the beginning of the year. Borrowings and bonds repayable after one year amounted to RMB26,504 million, representing a decrease of RMB2,329 million as compared with that of the beginning of the year.

As at 30 June 2026, among the Group's bank and other borrowings,

(1) The unsecured borrowings borrowings denominated in US dollars amounted to USD70,000 thousand in total (31 December 2025: USD70,000 thousand), equivalent to RMB476,763 thousand (31 December 2025: RMB492,016 thousand); borrowings denominated in Euros amounted to EUR276,636 thousand in total (31 December 2025: EUR258,152 thousand), equivalent to RMB2,148,660 thousand (31 December 2025: RMB2,126,014 thousand); borrowings denominated in Hong Kong dollars amounted to HKD815,096 thousand in total (31 December 2025: HKD815,000 thousand), equivalent to RMB707,992 thousand (31 December 2025: RMB736,074 thousand).

(2) The secured bank borrowings borrowings denominated in US dollars amounted to USD4,502 thousand (31 December 2025: USD4,502 thousand), equivalent to RMB30,663 thousand (31 December 2025: RMB31,644 thousand); borrowings denominated in Euros amounted to EUR3,469 thousand (31 December 2025: EUR3,671 thousand), equivalent to RMB26,946 thousand (31 December 2025: RMB30,235 thousand).

(3) The bank guaranteed borrowings borrowings denominated in Euros amounted to EUR196,320 thousand (31 December 2025: EUR196,700 thousand), equivalent to RMB1,524,837 thousand (31 December 2025: RMB1,619,923 thousand).

(4) The bank pledged borrowings borrowings denominated in Euros amounted to EUR20,000 thousand (31 December 2025: Nil), equivalent to RMB155,342 thousand (31 December 2025: Nil).

(5) All other bank and other borrowings of the Group were denominated in RMB.



MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at 30 June 2026, the Group's bank deposits amounted to RMB1,676 million (31 December 2025: RMB1,695 million), construction in progress with a carrying amount of RMB1,977 million (31 December 2025: RMB1,313 million), and machinery and equipment, houses and buildings, investment real estate and land with a carrying amount of RMB1,465 million (31 December 2025: RMB2,299 million) were secured to obtain borrowings or credit facilities. Part of the Group's borrowings or credit facilities were secured by the equity of its subsidiaries, and by the Group's accounts receivable and long-term receivables, with a carrying amount of RMB448 million (31 December 2025: RMB1,445 million).

Gearing Ratio

As at 30 June 2026, the gearing ratio of the Group, which represents the ratio of the sum of interest-bearing bank and other borrowings, bonds, lease liabilities and deposits from customers and super short-term financing bills to the sum of total equity of the shareholders plus interest-bearing bank and other borrowings, bonds, lease liabilities and deposits from customers and super short-term financing bills, was 40.18%, representing a decrease of 0.04 percentage point as compared with 40.22% at the beginning of the year.

Contingent Liabilities

Please refer to note 20 to the unaudited interim consolidated financial information for details.

Capital Commitments

Please refer to note 21 to the unaudited interim consolidated financial information for details.

Capital Expenditure

Total capital expenditure of the Group for the Reporting Period was approximately RMB2,451 million (first half of 2025: RMB3,194 million), which had been applied towards upgrading of production technologies and production equipment.

Potential Risks

Market Risks

The equipment manufacturing industry is highly correlated

with national economic growth. Changes in the macro economy, amendments to national policies, infrastructure construction investment scale, urbanization progress and cyclical fluctuations in industry development may affect the sustainable development of the Company. Meanwhile, China is accelerating the construction of a national unified electricity market and the planning and development of a new energy system. The energy industry is at the critical point of the new and old systems, market competition in new energy is intensifying, and the industrial structure is accelerating the green and low-carbon transition, which brings the Company new opportunities and challenges.

In this regard, the Company will actively participate in the national energy transformation strategy of "building new power system with new energy as the main component" to accelerate the green, low-carbon, digitalization, intelligentization transition and improve core competitiveness. The Company will closely monitor changes in market demand and continue to pay attention to and regularly analyze the potential impact of global and domestic macroeconomic trends and industry policies on the Company so as to develop responsive measures in a timely manner. Meanwhile, the Company will promptly adjust management measures to improve its management efficiency and develop its business model in an innovative manner to address all challenges arising from market changes.

Raw Material Prices Fluctuation Risks

The procurement costs of the Company's principal businesses are affected by fluctuations in bulk material prices. Meanwhile, due to the long cycle of certain orders undertaken by the Company, sharp fluctuations in raw material prices will have a significant impact on the profitability of the Company.

In this regard, the Company will strengthen the monitoring and management of the quality of economic operation, pay close attention to changes in the operation quality, business structure and profitability of each business segment of the Group, continue to optimize the supply chain management system, further enhance its cost control and pricing capabilities of purchase to actively mitigate risks arising from raw material price fluctuations.

Exchange Rate Fluctuation Risks

The Company's businesses in power plant equipment, power plant engineering and power transmission and distribution engineering involve export business and their contract amounts are large and usually denominated in major foreign currencies, such as US dollars. In the process of production, the Company



needs to purchase imported equipment and components, and these contracts are also denominated in foreign currencies. As the international trade situation has become increasingly challenging and the exchange rate of RMB is relatively volatile, the Company's export business may be exposed to the risk of profit and loss fluctuations due to factors such as changes in the exchange rate and capital repatriation.

In this regard, the Company will strengthen studies on the exchange rate movements of the relevant regions, utilize more hedging instruments, improve the hedging mechanism for exchange rate fluctuations, increase the scope of RMB settlement in cross-border trades, lock in certain exchange rates to reduce exchange risks and exercise better control over the costs of its overseas projects to avoid the adverse effects from exchange rate fluctuations.

Overseas Business Risks

Due to the continuous impact of factors such as macroeconomic environment and geopolitical uncertainties, some of the Company's overseas engineering projects are under various pressures such as higher labor costs and rising raw material costs. Overseas inflation and fluctuations in foreign exchange rates have also exerted negative effects on the profitability of overseas engineering projects. Meanwhile, the international situation is complex and severe. The risks and uncertainties in the overseas business of the Company have increased, and the possibility of risks arising from changes in the political and economic landscape of the locations where the Company operates overseas businesses has increased.

In this regard, the Company will pay close attention to and study the policies and environment of overseas markets, strengthen management and risk control and improve the

hedging mechanism for exchange rate fluctuations. The Company will arrange relevant insurance policies for related businesses and employees to maximize the protection of the Company's interests. Meanwhile, the Company will implement its "localization strategy" in the overseas market, seeking to establish long-term cooperative relationships with local customers so as to build up a good market reputation overseas.

Emerging Industries Development Risks

While facing development opportunities arising from the construction of a new energy system and the increasing intelligence of industrial equipment, the Company is actively promoting investment in and the strategic deployment of emerging and future industries. However, new business areas may be affected by changes in factors such as the industry environment, market demand, and technological routes. As a result, there are uncertainties regarding the R&D outcomes, market expansion, and profitability of these emerging industries.

In this regard, the Company adheres to the principle of "serving national strategies, aligning closely with national needs", strengthens research on industry trends and policies, increases investment in technological innovation, optimizes the layout of innovation initiatives, and enhances its core competitiveness in emerging industries. By benchmarking against industry leaders, the Company will strengthen cross-industry collaboration, promote horizontal coordination and empowerment, accelerate the establishment of regional headquarters and key customer director mechanisms, and enhance its market development capabilities. In addition, by focusing on initiatives such as penetration-based management, risk prevention and control, and the development of a "comprehensive economic" operations system, the Company aims to further improve its operational and management capabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Events

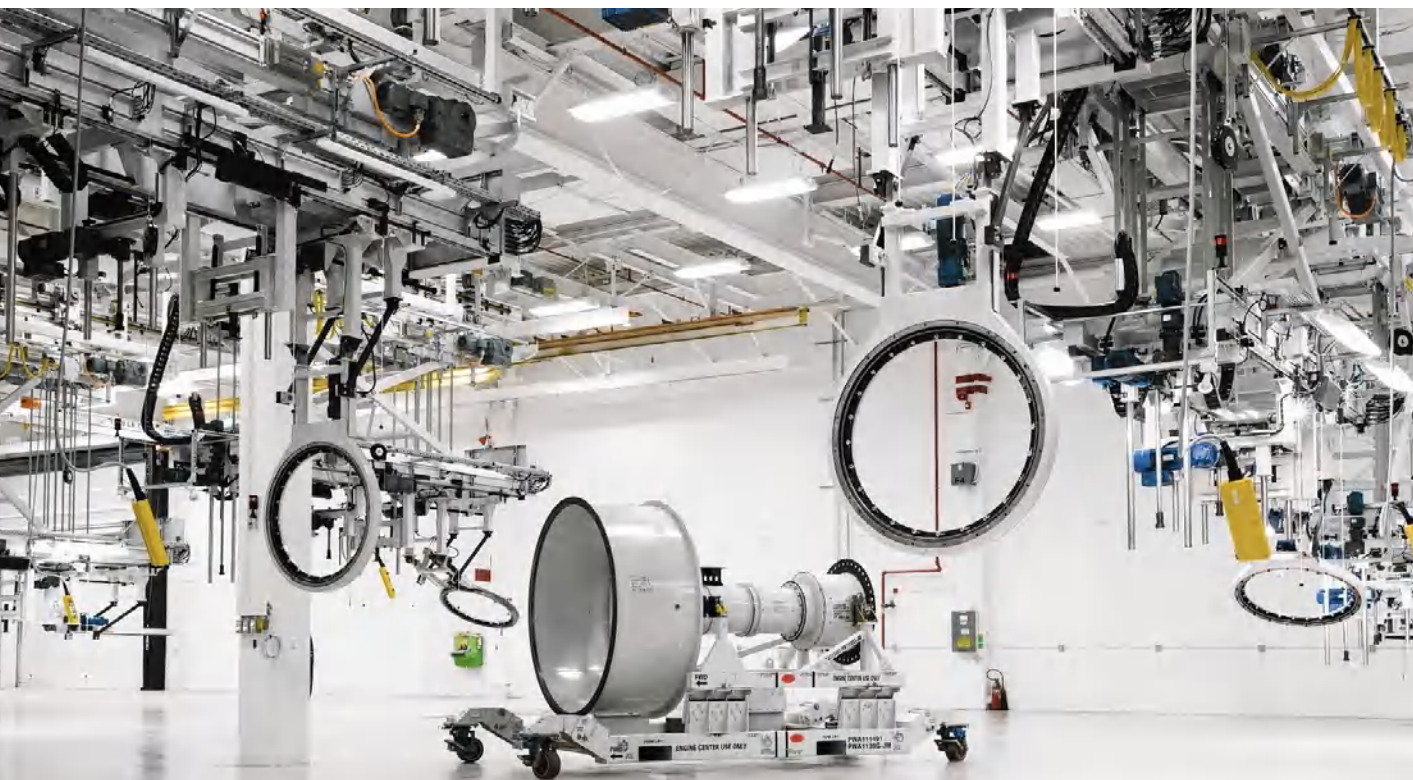
Amendments to the Articles of Association and Its Appendices

In order to fully implement laws, regulations and regulatory requirements, and further enhance the level of corporate governance, according to the provisions of the Company Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies, and other relevant laws, regulations and normative documents, and having regard to the Company's actual circumstances in connection with its implementation of the repurchase of A shares through centralized price bidding for the purpose of reducing its registered capital, the Company proposed to make amendments to the Articles of Association and its appendices, namely the Rules of Procedure for the General Meeting and the Rules of Procedure for the Board of Directors. On 29 April 2026, the Board considered and approved, among other things, the resolution on the proposed amendments to the Articles of Association and its appendices. The above proposal was approved at the 2025 annual general meeting, 2026 first

A share class meeting and 2026 first H share class meeting of the Company held on 5 June 2026. 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.

Connected Transaction of Disposal of Equity Interest in Five Project Companies

On 29 April 2026, the Board considered and approved the relevant resolution, pursuant to which 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, was approved to transfer its 100% equity interest in Shanghai Electric (Wuhe) Biomass Thermal Power Co., Ltd.* (上海電氣(五河)生物質熱電有限公司), Shanghai Electric (Tianchang) Biomass Power Generation Co., Ltd.* (上海電氣(天長)生物質發電有限公司), Shanghai Electric (Mengcheng) Biomass Power Generation Co., Ltd.* (上海電氣(蒙城)生物質發電有限公司) and Shanghai Electric (Suixi) Biomass Power Generation Co., Ltd.* (上海電氣(濉溪)生物質發電有限公司) to Shanghai Electric Holding Group Co., Ltd.* (上海電氣控股集團有限公司) ("SEGC"), by way of non-public transfer



agreement, and Shanghai Electric Investment Co., Ltd.* (上海電氣投資有限公司), a wholly-owned subsidiary of the Company, was approved to transfer its 100% equity interest in Shanghai Electric Xiangshui Biomass Power Generation Co., Ltd.* (上海電氣響水生物質發電有限公司) to SEG C by way of non-public transfer agreement. The total consideration amounted to RMB426.91 million. Upon completion of the equity transfers, the five project companies ceased to be subsidiaries of the Company. The Group no longer holds any interest in the five project companies, and their financial results are no longer consolidated into the Group's accounts. As at the date of this report, the above transaction has been completed.

Connected Transaction of Acquisition of 58.02% of the Shares in Anwha Automation

On 17 June 2026, the Board considered and approved the relevant resolution, approving Yinghe Technology, a non-wholly owned subsidiary of the Company, to acquire 100% of the shares in Anwha (Shanghai) Automation Engineering Co., Ltd.* (昂華(上海)自動化工程股份有限公司) ("Anwha Automation") by way of non-public agreement transfer. The total transaction amount is RMB204.3484 million. Among the foregoing, Yinghe Technology was approved to acquire 58.02% of the shares in Anwha Automation held by SEG C for a consideration of RMB118.5629 million, and to acquire the remaining 41.98% of the shares from eight shareholders other than SEG C (all being independent third parties of the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules")) for an aggregate consideration of approximately RMB85.7855 million. Upon completion of the share transfer, Yinghe Technology will hold 100% of the shares of Anwha Automation. As at the date of this report, the above transaction is still in progress.

Litigations in Relation to SINOME C

The Company provided loans totaling RMB1 billion to SINOME C Engineering Group Co., Ltd. (中國能源工程集團有限公司) ("SINOME C") in 2019 and 2020, and thereafter SINOME C repaid the principal amount of RMB1 million and a portion of the interest. Upon loan maturity and subsequent collections efforts, both SINOME C 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 an order that SINOME C repay the principal amount of the loan together with interest, penalty and compound interest; the Company is entitled to be repaid SINOME C's debt to the Company on a preferential basis by way of discounting, auction or sale of the relevant equity interest of SINOME C 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 SINOME C; 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 SINOME C and the guarantors, for the remaining debts of the loan to SINOME C, 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.

Material Arbitrations in Relation to the Sasan Project in India

In June 2008, the Company and Reliance Infra Projects (UK) Limited ("Reliance UK") entered into the Equipment Supply and Service Contract (the "Contract") with a contracted amount of USD1,311,000,000, pursuant to which, the Company (as the supplier) shall provide major equipment and relevant services for the project of Sasan 6x660MW Ultra Large Supercritical Coal-fired Power Station in India, Reliance Infrastructure Limited ("Reliance") issued the letter of guarantee for the payment obligations of Reliance UK under the Contract, and Sasan Power Limited (the "Sasan Power") owned and operated the power station. Since Reliance UK still failed to pay for the equipment purchased and other relevant payables to the Company after the project commenced commercial operation for several years, the Company filed an arbitration application with the Singapore International Arbitration Centre ("SIAC") in December 2019, requiring Reliance to pay for equipment purchased and other relevant payables in the amount of at least USD135,320,728.42 to the Company as agreed in the letter of guarantee issued by Reliance for

MANAGEMENT DISCUSSION AND ANALYSIS

Reliance UK (the "First Arbitration"). In December 2021, the Company received a notice of acceptance for an arbitration brought by Reliance UK against the Company issued by the SIAC, pursuant to which Reliance UK requested the Company to compensate it for losses of approximately USD388.75 million related to the contract (the "Second Arbitration"). Reliance UK also believed that the letter of performance guarantee was unreasonably released and requested the Company to issue a letter of performance guarantee in the amount of approximately USD120.175 million to guarantee its claims. In December 2022, the Company received the award issued by the SIAC for the First Arbitration, which ordered Reliance to pay the sum of USD146,309,239.27 to the Company. In May 2023, the Company received a notice from the Singapore International Commercial Court (the "SICC") that Reliance has filed an application to the SICC seeking to have the award for the First Arbitration by the SIAC set aside. The application was accepted by the SICC. In January 2024, the Company received a notice from the SICC that the SICC had entered a judgment, rejecting Reliance's application to set aside the award for the First Arbitration in its entirety and also ordering Reliance to pay to the Company the litigation costs related to this case. In June 2026, the Company received the award issued by the SIAC for the Second Arbitration, which dismissed all substantive claims brought by Oxagon Enterprises Limited (formerly Reliance UK). The dismissal carries preclusive effect, and the Company prevailed in the case.

Litigations in Relation to SECT

Shanghai Electric Communication Technology Co., Ltd. (上海電氣通訊技術有限公司) ("SECT"), a controlled subsidiary of the Company, filed petitions to the court in 2021, to request Beijing Capital Group Co., Ltd (北京首都創業集團有限公司) ("Capital Company") and Beijing Capital Group Company Limited Trading Branch (北京首都創業集團有限公司貿易分公司) ("Capital Trading") to settle the payment for goods in a total amount of approximately RMB1,193 million and the damages for breach of contract. In July 2022, SECT received the civil ruling issued by Shanghai No. 2 Intermediate People's Court (上海市第二中級人民法院) on the cases of SECT suing Capital Company and Capital Trading. The court held that after review, the facts involved in these cases were related to the contract fraud cases of Capital Company, which were filed and investigated by the Beijing Municipal Public Security

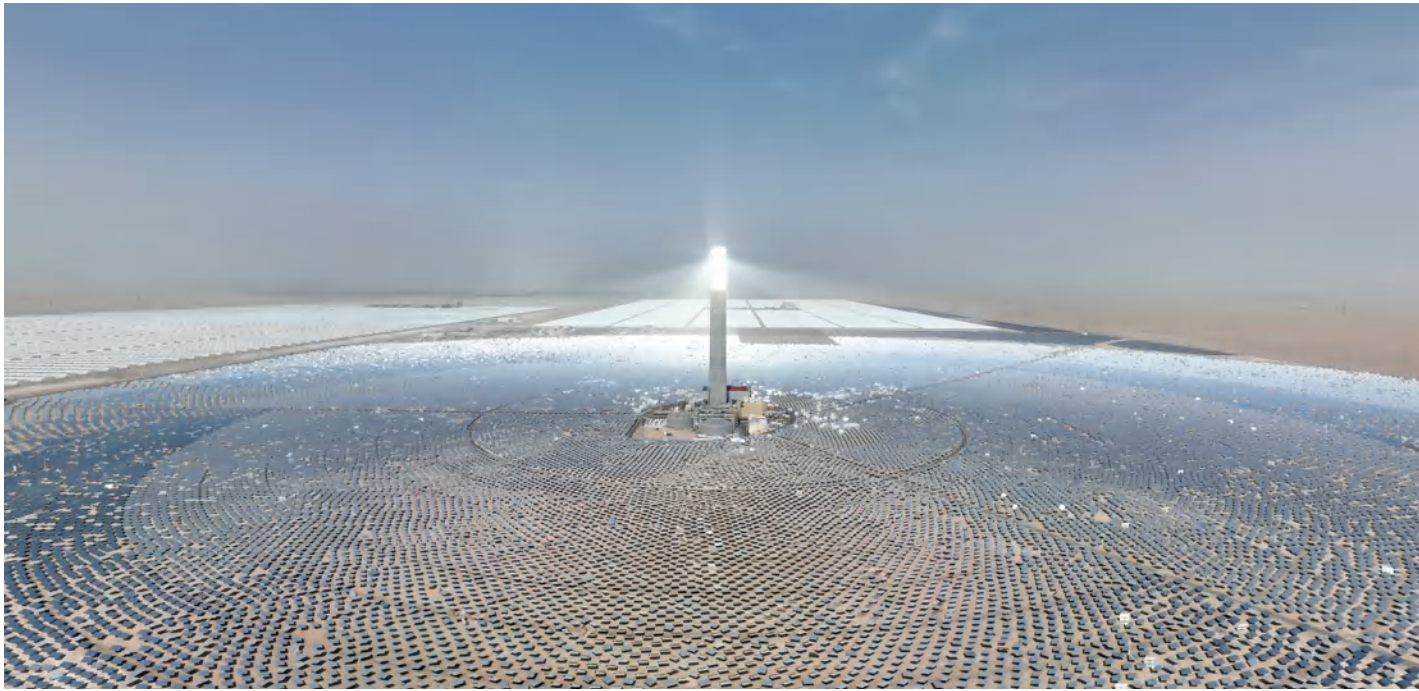
Bureau. The court also held that the trial results of these cases must be based on the trial results of the contract fraud cases, and ruled that the cases be stayed.

SECT filed petitions to the court in 2021, to request Harbin Industrial Investment Group Co., Ltd. (哈爾濱工業投資集團有限公司) ("Harbin Industrial Investment") to settle the payment for goods in a total amount of approximately RMB392,973.5 thousand and the damages for breach of contract. In December 2021, SECT received the first-instance judgment regarding the cases of SECT suing Harbin Industrial Investment. In July 2022, SECT received the notice of response and the civil ruling issued by Shanghai Higher People's Court (上海市高級人民法院). The court held that after review, the cases should be based on the outcomes of other civil and commercial cases involving Sui Tianli and others and thus the appeal cases of Harbin Industrial Investment were ruled to be stayed by the court.

SECT filed petitions to the court in 2021, to request Fortune Industrial Corp. (富申實業公司) ("Fortune Industrial") to settle the payment for goods in a total amount of approximately RMB787,956.2 thousand and the damages for breach of contract. In November 2021, Fortune Industrial sued SECT for the return of the advance and payments for goods in a total amount of approximately RMB97,741.8 thousand. During the period from May to June 2022, Shanghai Yangpu District People's Court (上海市楊浦區人民法院) ruled that the cases regarding SECT suing Fortune Industrial were stayed. In July 2022, SECT received the civil ruling issued by Shanghai Yangpu District People's Court on the cases of Fortune Industrial suing SECT. The court held that after review, the cases should be based on the outcomes of other cases, which had not been concluded yet, and ruled that the cases are stayed.

SECT filed petitions to the court in 2021, to request Nanjing Changjiang Electronics Group Co., Ltd. (南京長江電子信息產業集團有限公司) ("Nanjing Changjiang") to settle the payment for goods in a total amount of approximately RMB2,089,000.8 thousand and the damages for breach of contract. During the period from May to June 2022, Shanghai Yangpu District People's Court ruled that the cases regarding SECT suing Nanjing Changjiang were stayed.

Jiangsu Zhongli Group Co., Ltd. (江蘇中利集團股份有限



公司) ("Jiangsu Zhongli") brought a claim against SECT to request payment for goods, the corresponding interest and attorney's fee for litigation in a total amount of approximately RMB545,075.7 thousand in 2021. In July 2022, SECT received notice of response, civil complaint and civil ruling and other materials from Shanghai Yangpu District People's Court. Jiangsu Zhongli applied for withdrawal of the lawsuits and re-litigated against SECT for payment for goods, the corresponding interest and attorney's fee for litigation in a total amount of approximately RMB544,348 thousand. Shanghai Yangpu District People's Court (上海市楊浦區人民法院), after consideration and review, held that as the cases had to be based on the outcomes of other case, and as the other case had not yet been concluded, the cases met the circumstances for statutory stay of litigation and ruled that the cases were stayed.

During the Reporting Period, there was no material investment held by the Group or future plans for material investments or acquisition of capital assets, and none of each individual investment held by the Group constituted 5% or above of the total assets of the Group as at the end of the Reporting Period.

Save as disclosed in this report, the Company did not make any material acquisition or disposal of subsidiaries, associates or joint ventures during the Reporting Period.

Employees

On 30 June 2026, the Group had approximately 43,677 employees (30 June 2025: approximately 42,693). The Company has established and improved a comprehensive system which synchronizes enterprise operating efficiency and the increase of employees' salaries with the improvement in labor productivity, and reasonably determines the level of wage increase of the Company and wage adjustments of employees of various work positions. As for employees' salary income, while taking into account the internal fairness, the Company adheres to the performance-oriented approach by taking the performance target as the foundation, strengthening the rigid assessment, and deducting the performance salary as required for those who fail to pass the annual assessment, so as to reasonably widen the salary gap. In the event of binding matters including receiving party and government disciplinary punishment for violation of discipline and law, the Company strictly implements salary deductions, and recovers salary if necessary. Besides, the Company constantly insists on the general requirement of "Dual Inclination" and implements policies tilted towards talents who have made outstanding contributions and frontline positions.

During the Reporting Period, the Company did not implement any share incentive scheme, employee stock ownership plan or other employee incentives.

OTHER INFORMATION

Share Capital Structure

30 June 2026	Number of shares	Approximate percentage of issued share capital
A shares	12,615,639,636	81.18%
H shares	2,924,482,000	18.82%
Total	15,540,121,636	100.00%

Disclosure of Interests

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

The following are interests and short positions of substantial shareholders as at 30 June 2026 as recorded in the register required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance, Hong Kong ("SFO") and as to the knowledge of the Company:

Name of Substantial Shareholder	Class of shares	Identity	Note	Number of shares	Nature of Interest	Approximate percentage of shareholding in the relevant class of shares (%)	Approximate percentage of shareholding in the total issued share capital of the Company (%)
State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government	A	Interest of controlled corporation	1	7,049,915,340	Long position	55.88	45.37
	H	Interest of controlled corporation	1	313,642,000	Long position	10.72	2.02
Shanghai Electric Holding Group Co., Ltd.	A	Beneficial owner	1	6,400,435,385	Long position	50.73	41.19
	H	Beneficial owner	1	280,708,000	Long position	9.60	1.81
	H	Interest of controlled corporation	1,2	32,934,000	Long position	1.13	0.21
Shanghai State-owned Capital Investment Co., Ltd.	A	Beneficial owner	1	491,678,401	Long position	3.90	3.16
Shenergy (Group) Company Limited	A	Beneficial owner	1	157,801,554	Long position	1.25	1.02

Notes

- (1) SEGC, Shanghai State-owned Capital Investment Co., Ltd. * (上海國有資本投資有限公司) and Shenergy (Group) Company Limited * (申能(集團)有限公司) were wholly owned by State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government (上海市國有資產監督管理委員會) and accordingly, their interests in the A shares and H shares of the Company were deemed to be the interests of State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government.
- (2) SEGC, through its wholly-owned subsidiary, Shanghai Electric Group Hongkong Company Limited (上海電氣集團香港有限公司), held H shares of the Company.

Save as disclosed above, the Company is not aware of any other person having any interests or short positions in the shares or underlying shares of the Company as at 30 June 2026 required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO.

Directors and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2026, none of the directors or chief executives of the Company (as defined in the Hong Kong Listing Rules) had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified by the directors or chief executives to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules. In addition, no right to acquire the aforementioned interests had been granted to the directors or chief executives of the Company.

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 to 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 during the period from 1 January 2026 to 30 June 2026. The Company is not aware of any breach of the Model Code by any of its employees.

Corporate Governance Functions

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 complied with all applicable provisions of the Corporate Governance Code contained in Appendix C1 to 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 2025 annual general meeting due to business arrangements, Mr. Wang Chenhao, an executive director of the Company, chaired and presided over the 2025 annual general meeting.



OTHER INFORMATION



Directors and Senior Management

Changes in Directors and Senior Management of the Company

Name	Position	Change	Reason for the change
Zhu Yun	Non-executive Director	Elected	Work requirements
Zhu Jiaqi	Non-executive Director	Elected	Election of the new session of the Board
Cao Qingwei	Non-executive Director	Elected	Work reassignment
Cheng Yan	Chief information officer	Appointed	Work requirements
Shao Jun	Non-executive Director	Resigned	Election of the new session of the Board
Lu Wen	Non-executive Director	Resigned	Work reassignment
Xiao Weihua	Vice President	Resigned	Work reassignment

Appointment of Members of the Sixth Session of the Board

The extraordinary general meeting of the Company held on 26 January 2026 considered and approved to elect Dr. Wu Lei and Mr. Zhu Zhaokai as the executive Directors of the sixth session of the Board; Ms. Lu Wen and Mr. Zhu Jiaqi as the non-executive Directors of the sixth session of the Board; and Dr. Liu Yunhong, Dr. Du Zhaohui and Dr. Chen Xinyuan as the independent non-executive Directors of the sixth session of the Board. At the second joint meeting of the third session of the employee representative meeting of the Company, Mr. Wang Chenhao was elected as the employee director of the sixth session of the Board of the Company.

The extraordinary general meeting of the Company held on 24

March 2026 considered and approved to elect Ms. Zhu Yun and Mr. Cao Qingwei as the non-executive Directors of the sixth session of the Board. On 24 March 2026, Ms. Lu Wen no longer served as the non-executive Director of the sixth session of the Board.

As at the date of this report, 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.

Save as disclosed above, there is no other information required to be disclosed under Rule 13.51B(1) of the Hong Kong Listing Rules.



Review of Interim Results by Audit Committee

The Audit Committee of the Company (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 interim results and interim financial report for the six months ended 30 June 2026 and has raised no objection to the accounting policies and practices adopted by the Group.

Purchase, Sale or Redemption of the Company's Securities

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)) have been made by the Company or any of its subsidiaries.

As at the end of the Reporting Period, the Company did not hold any treasury shares (including any treasury shares held or deposited in the Hong Kong CCASS).

Interim Dividend

The Board did not propose to declare an interim dividend in respect of the Reporting Period.

Significant Events After the Reporting Period

During the period from the end of the Reporting Period to the date of this report, no significant events have occurred with respect to the Group.

Disclosure of Information and Investor Relations

The Company recognizes the importance of good communications with its investors. The office of the Board, the department which has duties covering investor relations, has arranged interviews, site visits and roadshows for investors. The department has also actively attended investors' forums to help investors gain a better understanding of the Company's operating results as well as its strategies and plans for future development. The Company will continue to make great efforts in investor relations work to further enhance its transparency.

By order of the Board

Wu Lei

Chairman

Shanghai, the PRC
28 August 2026

CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS AT 30 JUNE 2026

		Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
	Notes		
Current assets			
Cash at bank and on hand		43,576,694	37,308,176
Clearing settlement funds		12,540	1,041
Placements with banks and other financial institutions		18,432,820	17,728,894
Held-for-trading financial assets		6,688,883	8,387,470
Derivative financial assets		6,488	14,734
Notes receivable		2,419,023	3,180,093
Accounts receivable	14	36,335,388	37,032,557
Receivables financing		1,460,887	2,102,130
Prepayments		12,282,364	11,501,808
Other receivables		3,771,356	3,526,815
Financial assets purchased under resale agreements		1,626,457	2,585,101
Inventories		53,789,306	47,296,351
Contract assets		23,302,758	22,347,381
Non-current assets due within one year		3,326,132	2,150,433
Other current assets		24,041,768	25,944,203
Total current assets		231,072,864	221,107,187
Non-current assets			
Loans and advances		6,582,682	8,708,524
Debt investments		151,895	152,040
Other debt investments		2,424,482	1,260,962
Long-term receivables		1,017,085	1,755,225
Long-term equity investments		14,977,754	14,664,306
Investment in other equity instruments		79,800	-
Other non-current financial assets		4,112,201	5,846,082
Investment properties		882,643	925,337
Fixed assets	13	21,883,338	23,336,971
Constructions in progress		6,483,531	5,449,861
Right-of-use assets		2,246,720	2,306,519
Intangible assets		10,527,449	10,909,957
Research and development expenditures		91,584	86,683
Goodwill		2,971,524	3,070,023
Long-term deferred expenses		540,531	512,387
Deferred tax assets		8,168,746	8,278,845
Other non-current assets		17,416,677	16,999,857
Total non-current assets		100,558,642	104,263,579
TOTAL ASSETS		331,631,506	325,370,766

CONSOLIDATED BALANCE SHEET (UNAUDITED)(CONT'D)

AS AT 30 JUNE 2026

		Unaudited 30 June 2026	Audited 31 December 2025
	Notes	RMB'000	RMB'000
Current liabilities			
Short-term borrowings	16	12,174,829	10,066,806
Held-for-trading financial liabilities		9,968	38,564
Derivative financial liabilities		14,190	2,386
Notes payable		16,399,570	16,702,781
Accounts payable	15	75,538,491	70,637,292
Advances from customers		510,183	985,368
Contract liabilities		72,217,805	69,000,076
Deposits from customers, banks and other financial institutions		6,118,278	6,167,406
Employee benefits payable		3,993,437	5,247,768
Taxes payable		1,599,283	2,605,825
Other payables		8,412,019	8,355,843
Non-current liabilities maturing within one year		5,576,440	7,032,995
Other current liabilities		15,219,740	12,434,453
Total current liabilities		217,784,233	209,277,563
Non-current liabilities			
Long-term borrowings	17	19,509,588	25,835,719
Bonds payable	18	6,994,240	2,997,452
Lease liabilities		1,791,900	1,793,077
Long-term payables		982,788	1,063,791
Long-term employee benefits payable		166,349	180,141
Provisions		1,982,437	2,447,630
Deferred income		1,204,491	1,141,957
Deferred tax liabilities		630,087	648,569
Other non-current liabilities		123,329	78,113
Total non-current liabilities		33,385,209	36,186,449
Total liabilities		251,169,442	245,464,012
Owners' equity			
Share capital	19	15,540,122	15,540,122
Capital surplus		19,079,887	18,998,926
Other comprehensive income		(62,499)	129,282
Special reserve		149,964	132,699
Surplus reserve		6,044,402	6,044,402
Retained earnings		14,597,836	13,849,289
Total equity attributable to equity owners of the Company		55,349,712	54,694,720
Minority interests		25,112,352	25,212,034
Total owners' equity		80,462,064	79,906,754
Total liabilities and owners' equity		331,631,506	325,370,766

CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Unaudited	
		Six months ended 30 June	
	Notes	2026 RMB'000	2025 RMB'000
Total revenue		63,331,968	54,303,335
Including: Operating revenue	8	63,030,610	54,007,759
Interest income	8	299,543	295,015
Income from handling charges and commissions	8	1,815	561
Total cost of sales		60,955,177	52,136,586
Including: Operating cost	8	51,512,786	43,963,452
Interest expenses	8	26,335	43,242
Handling charges and commissions expenses	8	365	351
Taxes and surcharges	9	344,791	360,202
Selling and distribution expenses		1,553,811	1,481,932
General and administrative expenses		3,785,727	3,436,117
Research and development expenditures		3,086,809	2,545,795
Financial expenses - net		644,553	305,495
Including: Interest expenses		594,117	676,205
Interest income		246,534	275,260
Add: Other income		662,408	465,798
Investment income		1,403,810	1,058,818
Including: Share of profit of associates and joint ventures		1,112,920	822,267
Gains/(Losses) arising from derecognition of financial assets measured at amortized cost		10,086	(3,181)
Exchange (Losses)/Gains		(3,306)	4,722
(Losses)/Gains on changes in fair value		(62,202)	25,700
Losses from credit impairment		(1,035,489)	(780,260)
Losses from asset impairment		(755,245)	(163,936)
(Losses)/Gains on disposals of assets		(18,392)	35,682
Operating profit		2,568,375	2,813,273
Add: Non-operating income		46,262	41,643
Less: Non-operating expenses		43,770	23,249
Total profit		2,570,867	2,831,667
Less: Income tax expenses	10	898,450	784,753
Net profit		1,672,417	2,046,914
Attributable to equity owners of the Company		969,994	820,752
Minority interests		702,423	1,226,162

CONSOLIDATED INCOME STATEMENTS (UNAUDITED)(CONT'D)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Unaudited	
		Six months ended 30 June	
		2026	2025
	Notes	RMB'000	RMB'000
Other comprehensive income, net of tax		(194,885)	176,368
Attributable to shareholders of the parent company		(191,781)	165,687
Other comprehensive income that will be subsequently reclassified to profit or loss		(191,781)	165,687
Changes in fair value of other debt investments		(10,148)	(1,658)
Provision for credit impairment of other debt investments and receivables financing		(5,403)	174
Cash flow hedges, net of tax		(730)	5,102
Exchange differences on translation of foreign operations		(175,500)	159,928
Others		-	2,141
Attributable to minority shareholders		(3,104)	10,681
Total comprehensive income		1,477,532	2,223,282
Including:			
Attributable to equity owners of the parent company		778,213	986,439
Attributable to minority shareholders		699,319	1,236,843
Earnings per share			
Basic earnings per share (RMB Yuan)	11	0.062	0.053
Diluted earnings per share (RMB Yuan)	11	0.062	0.053

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to shareholders of the parent company						Sub-total	Minority interests	Total shareholders' equity
	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings			
Balance at 31 December 2025	15,540,122	18,998,926	129,282	132,699	6,044,402	13,849,289	54,694,720	25,212,034	79,906,754
Movements for the six months ended									
30 June 2026									
Total comprehensive income	-	-	(191,781)	-	-	969,994	778,213	699,319	1,477,532
Capital contribution and withdrawal by shareholders									
Injection of capital from minority shareholders of subsidiaries	-	90,688	-	-	-	-	90,688	404,312	495,000
Addition of subsidiaries	-	-	-	-	-	-	-	54,360	54,360
Disposal of subsidiaries	-	-	-	-	-	-	-	(9,944)	(9,944)
Others	-	(9,727)	-	-	-	-	(9,727)	(175,003)	(184,730)
Profit distribution									
Distribution to minority shareholders of subsidiaries	-	-	-	-	-	-	-	(1,081,303)	(1,081,303)
Distribution to shareholders of the Company	-	-	-	-	-	(221,447)	(221,447)	-	(221,447)
Special reserve									
Appropriation in the current period	-	-	-	42,690	-	-	42,690	14,910	57,600
Use in the current period	-	-	-	(25,425)	-	-	(25,425)	(6,333)	(31,758)
Balance at 30 June 2026	15,540,122	19,079,887	(62,499)	149,964	6,044,402	14,597,836	55,349,712	25,112,352	80,462,064

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)(CONT'D) FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to shareholders of the parent company							Sub-total	Minority interests	Total shareholders' equity
	Share capital	Capital surplus	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings			
Balance at 31 December 2024	15,579,809	18,727,393	-	71,417	123,825	5,963,972	12,723,500	53,189,916	24,190,403	77,380,319
Movements for the six months ended										
30 June 2025										
Total comprehensive income	-	-	-	165,687	-	-	820,752	986,439	1,236,843	2,223,282
Capital contribution and withdrawal by shareholders										
Injection of capital from minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	3,000	3,000
Addition of subsidiaries	-	-	-	-	-	-	-	-	32,952	32,952
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(44,214)	(44,214)
Others	-	(118,041)	(59,924)	-	-	-	-	(177,965)	(22,321)	(200,286)
Profit distribution										
Distribution to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	(1,099,115)	(1,099,115)
Special reserve										
Appropriation in the current period	-	-	-	-	43,188	-	-	43,188	4,562	47,750
Use in the current period	-	-	-	-	(24,909)	-	-	(24,909)	(3,705)	(28,614)
Balance at 30 June 2025	15,579,809	18,609,352	(59,924)	237,104	142,104	5,963,972	13,544,252	54,016,669	24,298,405	78,315,074

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Unaudited For the Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Cash flows from operating activities		
Cash received from sales of goods or rendering of services	69,236,698	61,536,062
Refund of taxes and surcharges	409,134	337,320
Cash received relating to other operating activities	4,652,496	3,783,331
Sub-total of cash inflows	74,298,328	65,656,713
Cash paid for goods and services	55,155,575	48,882,749
Cash paid to and on behalf of employees	8,242,653	7,467,514
Payments of taxes and surcharges	3,507,198	2,960,785
Cash paid relating to other operating activities	4,133,603	4,777,510
Sub-total of cash outflows	71,039,029	64,088,558
Net cash flows from operating activities	3,259,299	1,568,155
Cash flows from investing activities		
Cash received from disposal of investments	10,786,886	4,092,405
Cash received from returns on investments	1,082,401	715,529
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	16,904	204,232
Net cash received from disposal of subsidiaries	387,733	560,028
Cash received relating to other investing activities	18,159	16,793
Sub-total of cash inflows	12,292,083	5,588,987
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,084,301	1,469,431
Cash paid to acquire investments	7,403,999	3,232,101
Net cash repayments from acquisition of subsidiaries	-	1,441,000
Cash paid relating to other investing activities	6,653,168	4,785,809
Sub-total of cash outflows	16,141,468	10,928,341
Net cash flows from investing activities	(3,849,385)	(5,339,354)
Cash flows from financing activities		
Cash received from capital contributions	549,360	3,000
Including: Cash received by subsidiaries from capital contributions by minority shareholders	549,360	3,000
Cash received from borrowings	10,362,064	12,457,813
Cash received from debentures	5,995,858	1,199,678
Cash received relating to other financing activities	-	159,100
Sub-total of cash inflows	16,907,282	13,819,591
Cash repayments of borrowings	14,536,684	11,919,586
Cash payments for distribution of dividends, profits or interest expenses	732,885	1,475,386
Including: Cash payments for dividends or profits to minority shareholders by subsidiaries	175,464	604,120
Cash paid for acquisition of minority interests	-	25,528
Cash paid relating to other financing activities	427,848	432,820
Sub-total of cash outflows	15,697,417	13,853,320
Net cash flows from financing activities	1,209,865	(33,729)
Effect of foreign exchange rate changes on cash and cash equivalents	(225,950)	19,471
Net increase/(decrease) in cash and cash equivalents	393,829	(3,785,457)
Add: Cash and cash equivalents at the beginning of the period	29,335,222	36,176,519
Cash and cash equivalents at the end of the period	29,729,051	32,391,062

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2026

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, the PRC.

During the half 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: provision of energy, environmental protection and automation engineering and services, including all kinds of traditional and new energy, comprehensive utilisation of solid wastes, sewage treatment, flue gas treatment, rail transit; provision of industrial Internet services; provision of financial services, including corporate finance, financial leasing, factoring, asset management and insurance brokerage; provision of park and property management services based on industrial real estate.

In the opinion of the directors of the Company, 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. Basis of preparation and accounting policies

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 on 15 February 2006 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.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

3. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the six months ended 30 June 2026 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely presented the consolidated financial position of the Company as at 30 June 2026 and their financial performance, cash flows and other information for the six months ended 30 June 2026.

4. Estimates

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the relevant circumstances.

(a) Critical judgements in applying the accounting policies

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

Consolidation scope

Shanghai Mechanical & Electrical Industry Co., Ltd. ("SMEI") is an A-share listed company listing on SSE. The Group is the single largest shareholder of SMEI with 44.48% of shares. The remaining shares in SMEI are widely held by many other shareholders. Meanwhile, since the date of consolidation, there has been no history of other shareholders exercise their votes collectively or to outvote the Group. Therefore, although the Group holds less than half of the voting rights in SMEI, the Group has substantial control over SMEI and includes it in the consolidation scope.

The Group holds 50% of the equity of Shanghai Electric Transmission and Distribution Group Co., Ltd. and 1% of its potential share warrant and can dominate the control of its significant financial and operating policy decisions. Therefore, the Group has substantial control over it and includes it in the consolidation scope as a subsidiary.

The Group holds 28.59% of the shares of Shenzhen Yinghe Technology Co., Ltd. ("Yinghe Technology"), a company listed on the Shenzhen Stock Exchange, being the largest shareholder of the company. Wang Weidong, the second largest shareholder of Yinghe Technology, and Xu Xiaojun, the third largest shareholder of Yinghe Technology, hold the voting rights of a total of 12.87% of Yinghe Technology's shares. In addition to the above shareholders, the remaining shares are widely held by many other shareholders. Therefore, although the Group holds less than half of the voting rights in Yinghe Technology, the Group has substantial control over Yinghe Technology and includes it in the consolidation scope.

Measurement of ECL

The Group calculates ECL based on the exposure at default and the ECL rates. The determination of the ECL rates is based on the probability of default and the loss given default or the ageing matrix. In determining the ECL rates, the Group uses data such as internal historical credit loss experience, and adjusts the historical data based on current conditions and forward-looking information.

When considering forward-looking information, the Group takes different macroeconomic scenarios into consideration. For the six months ended 30 June 2026, the economic scenario weights of "benchmark", "unfavourable" and "favourable" accounted for 60%, 30% and 10% (for the year ended 2025: 60%, 30% and 10%) respectively. The Group regularly monitors and reviews important macroeconomic assumptions and parameters for calculating ECLs, including the risk of economic downturn, external market environment, technological environment, changes in customer profile, gross domestic product, production price index, industrial added value, broad money supply and completed investments in fixed assets.

4. Estimates (Cont'd)

(a) Critical judgements in applying the accounting policies (Cont'd)

Classification of financial assets

Significant judgements made by the Group in the classification of financial assets include business model and analysis on contractual cash flow characteristics.

The Group determines the business model for financial asset management on the grouping basis, and factors to be considered include the methods for evaluating financial asset performance and reporting the financial asset performance to key management personnel, the risks affecting financial asset performance and corresponding management methods, the ways in which related business management personnel are remunerated, etc.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic loan arrangement, key judgements made by the Group include: the possibility of changes in time schedule or amount of the principal during the lifetime due to reasons such as repayment in advance; whether interest only includes time value of money, credit risks, other basic lending risks and considerations for costs and profits. For example, whether the amount of prepayment only reflects the principal outstanding and the interest based on the principal outstanding, as well as the reasonable compensation due to the early termination of the contract.

Determination of significant increase in credit risk and credit-impaired

When the Group classifies financial instruments into different stages, its criteria for significant increase in credit risk and credit-impaired are as follows:

The Group determines the significant increase in credit risk mainly based on the criteria such as any significant changes in one or more of the followings: the deteriorations in the business environment, internal and external credit rating, actual or expected operating results of the debtor and the significant decline in the value of collaterals or credit rating of guarantor which affects the probability of default.

The Group determines the occurrence of credit impaired mainly based on the criteria such as whether one or more of the following conditions exist: the debtor is suffering from significant financial difficulties, the debtor is undergoing a debt restructuring, or it is probable that the debtor will be bankrupted, etc.

(b) Critical accounting estimates and assumptions

The key assumptions concerning the future and key factors of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting periods, are detailed below.

Revenue recognition of construction services

The Group recognises the revenue for a contract over a period using the percentage of completion method when the results of construction service can be estimated reliably.

Significant estimation and judgement are required in determining the percentage of completion, the contract performance costs incurred, the estimated total contract cost and the recoverability of the contract costs. Management mainly makes judgement based on past experience. Changes in the estimations of total contract revenue and costs and the outcome of contract performance may have significant impact on the revenue, cost of sales and the profit or loss for the current or subsequent periods.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

4. Estimates (Cont'd)

(b) Critical accounting estimates and assumptions (Cont'd)

Impairment of inventories to net realisable value

Impairment of inventories to net realisable value is based on the assessment of the possibility to sell in the future and the net realisable value of inventories. Identification of impairment of inventories requires judgements and estimates from management on the basis of obtaining conclusive evidence and considering the purpose for holding inventories and impact of events after the balance sheet date. Difference between the actual results and original estimates will have an impact on the carrying amount of inventories and accrual or reversal of provision for decline in the value of inventories for the period in which the estimates are changed.

Recognition of provisions

The Group estimates and makes provision for product warranties, estimated contract losses, penalty for delayed delivery, litigation compensation, financial guarantee contracts, etc. based on contract terms, available information and past experience. When such contingency forms a present obligation and it is probable that an outflow of economic benefits may incur if the obligation is fulfilled, the obligation is measured at best estimate.

Enterprise income tax

The Group is subject to income taxes in numerous jurisdictions. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled. When it is possible that taxable profit will be available to offset deductible losses, deferred tax assets are recognised with all un-utilised deductible losses. It requires management to exercise significant judgement to estimate the time and amount of future taxable profit, in combination of tax planning strategy, so as to determine the amount of deferred tax assets.

Some subsidiaries of the Group are high-tech enterprises. The "High-Tech Enterprise Certificate" is effective for three years. Upon expiration, application for high-tech enterprise should be submitted again to the relevant government authorities. Based on the past experience of reassessment for high-tech enterprise upon expiration and the actual condition of the subsidiaries, management considers that the subsidiaries are able to obtain the qualification for high-tech enterprises in future years, and therefore a preferential tax rate of 15% is used to calculate the corresponding deferred income tax. If some subsidiaries cannot obtain the qualification for high-tech enterprise upon expiration, then the subsidiaries are subject to a statutory tax rate of 25% for the calculation of the deferred income tax, which increases the recognised net deferred tax assets and decreases the deferred tax expenses.

Estimated useful lives of fixed assets

Estimated useful lives of fixed assets are reviewed by the Group at least at each year-end. Estimated useful lives of the assets are determined by management based on past experience of similar assets and the expected technical renovation. If significant changes occurred in the previous estimates, adjustment on depreciation expenses is carried out in the future period.

4. Estimates (Cont'd)

(b) Critical accounting estimates and assumptions (Cont'd)

Impairment of non-current assets other than financial assets (except for goodwill)

The Group judges whether there exists impairment of non-current assets other than financial assets as at balance sheet date. Intangible assets with indefinite useful lives are tested for impairment annually. Non-current assets other than financial assets are subject to impairment tests when there is indication of impairment. An asset or asset group is impaired if the carrying amount exceeds their recoverable amounts, which is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The fair value less costs to sell could be determined with reference to sales agreement price or observable market price of similar products in arm's length transaction less directly attributable incremental costs in assets disposal. Management should estimate the expected future cash flows of an asset or asset group, and determine an appropriate discount rate for the calculation of the present value of future cash flows.

Impairment of goodwill

The Group tests whether goodwill has suffered any impairment at least on an annual basis. The recoverable amount of asset groups or groups of asset groups that include goodwill is the higher of their fair value less costs to sell and the present value of the future cash flows expected to be derived from them. These calculations require use of accounting estimates.

In determining the net amount of the fair value of asset groups less costs to sell, the Group adopted the market approach to estimate the fair value of asset groups based on the share price of the listed company or the ratio of the enterprise value divided by EBITDA after necessary adjustments. The key assumptions involved were mainly the share price of the listed company, ratio of enterprise value of listed company divided by EBITDA, control premium and discount for lack of liquidity.

If management revises the gross profit margin forecast period growth rate and stable period growth rate used in the calculation of future cash flows of an asset group or combination of asset groups, and the revised gross profit margin, forecast period growth rate and stable period growth rate are lower than / higher than the currently adopted gross profit margin, forecast period growth rate, and stable period growth rate, the Group needs to make provision for impairment of goodwill increase/decrease.

If management revises the pre-tax discount rate used for discounted cash flows within a reasonable and likely range, and the revised pre-tax discount rate is higher/lower than the rate currently used, our group will need to increase/decrease the impairment provision for goodwill related to our subsidiaries.

If the actual growth rate and gross profit margin are higher or the pre-tax discount rate is lower than management's estimates, the impairment loss of goodwill as previously recognised is not allowed to be reversed by the Group.

Evaluation of fair value

The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. Valuation techniques include using prices of recent market transactions between knowledgeable and willing parties, reference to the current fair value of another financial asset that is substantially the same with this instrument, and discounted cash flow analysis, etc. When a valuation technique is used to determine the fair value of a financial instrument, management uses observable market inputs as opposed to entity-specific inputs to the maximum extent possible. The setting of the input involves certain judgements. If there is any discrepancy between the inputs and the actual results, material adjustments will be made to the fair value of the financial instruments.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

5. Financial risk management and financial instruments

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2025.

There have been no changes in the risk management or risk management policies since year end.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

5.3 Fair value estimation

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

5. Financial risk management and financial instruments (Cont'd)

5.3 Fair value estimation (Cont'd)

(1) Assets measured at fair value on a recurring basis

As at 30 June 2026, the assets measured at fair value on a recurring basis by the above three levels are analysed below:

	Fair value measurement using			Total RMB'000
	Quoted prices inactive markets	Significant observable inputs	Significant unobservable inputs	
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Financial assets held for trading -				
Investments in funds held for trading	5,942,303	-	-	5,942,303
Investments in equity instrument held for trading	5,310	-	-	5,310
Wealth management products	-	410,278	-	410,278
Non-hedging derivative financial assets	-	330,992	-	330,992
Derivative financial assets -	-	6,488	-	6,488
Receivables Financing -				
Notes receivable at fair value through other comprehensive income	-	-	1,308,473	1,308,473
Accounts receivable at fair value through other comprehensive income	-	-	152,414	152,414
Other current assets-				
Interbank deposits	-	18,152,153	-	18,152,153
Other short-term debt investments	-	-	189	189
Other non-current financial assets	765,185	183,565	3,163,451	4,112,201
Other debt investments	2,424,482	-	-	2,424,482
Total assets	9,137,280	19,083,476	4,624,527	32,845,283

As at 30 June 2026, the liabilities measured at fair value on a recurring basis by the above three levels were analysed below:

Financial liabilities

Derivative financial liabilities	-	14,190	-	14,190
Financial liabilities held for trading	-	9,968	-	9,968
Total	-	24,158	-	24,158

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

5. Financial risk management and financial instruments (Cont'd)

5.3 Fair value estimation (Cont'd)

(1) Assets measured at fair value on a recurring basis (Cont'd)

As at 31 December 2025, the assets measured at fair value on a recurring basis by the above three levels are analysed below:

	Fair value measurement using			Total RMB'000
	Quoted prices inactive markets	Significant observable inputs	Significant unobservable inputs	
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	
Financial assets held for trading				
Investments in funds held for trading	5,895,429	-	-	5,895,429
Investments in equity instrument held for trading	10,175	-	1,733,000	1,743,175
Wealth management products	-	404,689	-	404,689
Non-hedging derivative financial assets	-	344,177	-	344,177
Derivative financial assets -	-	14,734	-	14,734
Receivables Financing -				
Notes receivable at fair value through other comprehensive income	-	-	1,791,842	1,791,842
Accounts receivable at fair value through other comprehensive income	-	-	310,288	310,288
Other current assets -				
Interbank deposits	-	19,823,042	-	19,823,042
Other short-term debt investments	-	-	121,339	121,339
Other non-current financial assets	1,339,098	1,286,098	3,220,886	5,846,082
Other debt investments	1,260,962	-	-	1,260,962
Total assets	8,505,664	21,872,740	7,177,355	37,555,759

As at 31 December 2025, the liabilities measured at fair value on a recurring basis by the above three levels were analysed below:

Financial liabilities

Derivative financial liabilities	-	2,386	-	2,386
Financial liabilities held for trading	-	38,564	-	38,564
Total	-	40,950	-	40,950

6. Segment information

Operating segment

The Group organises and manages its operating business in accordance with the nature of business and provision of goods and services. Each business segment of the Group is one operating group, providing goods and services with risks and rewards different from those of the other business segments.

The details of operating segments are as follows:

(a) the energy equipment segment: design, manufacture and sale of nuclear power equipment, energy storage equipment, coal-fired power generation and ancillary equipment, gas-fired power generation equipment, wind power equipment, hydrogen energy equipment, photovoltaic equipment, high-end chemical equipment; provision of 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 integrated services segment: provision of energy, environmental protection and automation engineering and services, including all kinds of traditional and new energy, comprehensive utilisation of solid wastes, sewage treatment, flue gas treatment, rail transit; provision of industrial Internet services; provision of financial services, including corporate finance, financial leasing, factoring, asset management and insurance brokerage; provision of park and property management services based on industrial real estate.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, dividend income, earnings from fair value changes in financial instruments and headquarters expenses.

Segment assets do not include trading financial assets, derivatives, dividends receivable, interest receivable, long-term equity investment, debt investment, other debt investment, other equity instrument investment, other non current financial assets, deferred income tax assets and other undistributed headquarters assets, which are under the unified management of the Group.

Segment liabilities do not include trading financial liabilities, derivatives, dividends payable, interest payable, borrowings, income tax payable, deferred income tax liabilities and other undistributed headquarters liabilities, which are under the unified management of the Group.

The transfer pricing between segments shall be determined by reference to the price adopted by the exchange to the third party.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

6. Segment information (Cont'd)

- (a) Segment information as at and for the six months ended 30 June 2026 was as follows (Unaudited):

	Energy equipment RMB'000	Industrial equipment RMB'000	Integrated services RMB'000	Others RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
Segment revenue:							
Including: Revenue from external customers	35,425,172	18,368,625	9,531,499	5,748	924	-	63,331,968
Inter-segment revenue	1,132,965	585,449	1,330,438	9,424	49,119	(3,107,395)	-
	36,558,137	18,954,074	10,861,937	15,172	50,043	(3,107,395)	63,331,968
Cost of sales	29,727,675	15,525,518	9,311,632	1,715	98	(3,027,152)	51,539,486
Losses from credit impairment	96,033	298,432	643,141	8	39,780	(41,905)	1,035,489
Losses from asset impairment	317,801	276,806	104,983	-	-	55,655	755,245
Depreciation and amortization	1,005,209	467,620	419,828	14,757	104,612	-	2,012,026
Finance costs – net	-	-	-	-	644,553	-	644,553
Share of profits and losses of joint ventures and associates	-	-	-	-	1,112,920	-	1,112,920
Operating profit/(loss)	2,053,924	412,829	144,218	(138,480)	285,087	(189,203)	2,568,375
Other gains and losses							2,492
Profit before tax							2,570,867
Assets and liabilities							
Total assets	249,680,809	62,107,329	155,828,918	716,495	15,062,591	(151,764,636)	331,631,506
Total liabilities	208,241,943	48,510,363	129,326,131	500,180	8,547,423	(143,956,598)	251,169,442
Non-cash expenses other than depreciation and amortisation	770,555	30,708	114,098	-	-	-	915,361
Increase in non-current assets	1,116,624	348,739	955,230	4,491	25,764	-	2,450,848

6. Segment information (Cont'd)

- (b) Segment information as at and for the six months ended 30 June 2025 was as follows (Unaudited) (Restated):

	Energy equipment RMB'000	Industrial equipment RMB'000	Integrated services RMB'000	Others RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
Segment revenue:							
Including: Revenue from external customers	29,105,813	17,968,807	7,208,778	17,954	1,983	-	54,303,335
Inter-segment revenue	1,010,507	629,396	1,051,653	24,021	36,976	(2,752,553)	-
	30,116,320	18,598,203	8,260,431	41,975	38,959	(2,752,553)	54,303,335
Cost of sales	24,297,194	15,518,329	7,016,363	25,001	64	(2,849,906)	44,007,045
Losses from credit impairment	243,692	163,814	530,515	(315)	21,254	(178,700)	780,260
Losses from asset impairment	193,558	(17,103)	(7,674)	(6)	-	(4,839)	163,936
Depreciation and amortization	756,965	402,009	394,151	4,830	86,503	-	1,644,458
Finance costs – net	-	-	-	-	305,495	-	305,495
Share of profits and losses of joint ventures and associates	-	-	-	-	822,267	-	822,267
Operating profit/(loss)	1,607,085	620,397	248,368	(136,016)	501,451	(28,012)	2,813,273
Other gains and losses							18,394
Profit before tax							2,831,667
Assets and liabilities							
Total assets	173,281,924	59,474,604	138,544,844	974,955	13,847,087	(73,223,324)	312,900,090
Total liabilities	128,495,884	45,294,617	106,651,966	215,902	4,741,235	(50,814,588)	234,585,016
Non-cash expenses other than depreciation and amortisation	547,754	65,771	155,312	-	-	-	768,837
Increase in non-current assets	2,097,809	409,948	657,404	6,444	22,682	-	3,194,287

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

6. Segment information (Cont'd)

(c) Revenue from external customers

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
Mainland China	51,910,893	45,606,847
Other countries and geographical areas	11,421,075	8,696,488
	63,331,968	54,303,335

Revenue from external customers is attributed to the region where corresponding customers from.

(d) Total non-current assets

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Mainland China	75,701,289	75,704,207
Other countries and geographical areas	2,400,262	2,557,694
	78,101,551	78,261,901

Non-current assets, excluding financial assets and deferred tax assets, are attributed to the region where the assets are located in.

7. Changes of consolidation scope

- (1) For the six months ended 30 June 2026, subsidiaries newly incorporated or acquired and thus included in the consolidation scope are as follows:

Subsidiaries	Major business location	Place of registration	Nature of business	Shareholding (%)		Registered capital RMB'000
				Direct	Indirect	
Shanghai Huilian Electromechanical Development Co., Ltd.	Shanghai	Shanghai	Automated Machinery Trading	-	44.48	RMB300,000
Lingji Yidong (Shanghai) Technology Co., Ltd.	Shanghai	Shanghai	Professional Technical Services	-	26.69	RMB100,000
Shanghai Hailing Smart Elevator Service Co., Ltd.	Shanghai	Shanghai	Specialized Equipment Manufacturing	-	23.13	RMB20,000
Linyi Lingfeng New Energy Co., Ltd.	Shandong	Shandong	Professional Technical Services	-	60.67	RMB356,400
Tancheng Lingfeng New Energy Co., Ltd.	Shandong	Shandong	Professional Technical Services	-	60.67	RMB355,400
Shanghai Fengqiyuantong Comprehensive Energy Co., Ltd.	Shanghai	Shanghai	Power Supply	-	86.67	RMB1,000
Shanghai Electric (Siping) New Energy Equipment Co., Ltd.	Jilin	Jilin	Specialized Equipment Manufacturing	-	60.01	RMB2,000
Shanghai Electric Integrated Energy Services (Shanxi) Co., Ltd.	Shanxi	Shanxi	Engineering Services	-	25.50	RMB50,000
Shanghai Electric Group Power Transmission and Distribution Equipment (Hebei) Co., Ltd.	Hebei	Hebei	Power Supply	-	100.00	RMB10,000
Shanghai Electric Power Transmission and Distribution Equipment (Sichuan) Co., Ltd.	Sichuan	Sichuan	Power Supply	-	100.00	RMB10,000
SHANGHAI ELECTRIC NIGER	Niger	Niger	Engineering Construction	-	100.00	XOF1,000
Shanghai Qianyu Zhichuang Robotics Co., Ltd.	Shanghai	Shanghai	Specialized Equipment Manufacturing	-	100.00	RMB10,000
Sepert Technology (Kunshan) Co., Ltd.	Jiangsu	Jiangsu	Professional Technical Services	-	86.00	EUR1,300
Yinghe Technology Spain SL	Spain	Spain	Specialized Equipment Manufacturing	-	100.00	EUR400

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

7. Changes of consolidation scope (Cont'd)

(2) Disposal of subsidiary

For the six months ended 30 June 2026, subsidiaries newly disposed and thus included in the consolidation scope are as follows:

Name of Subsidiary	Price of disposal RMB'000	Ratio of disposal	Method of disposal	Point of loss of control	Basis of judgment of point of loss of control	The difference between the disposal price and the disposal investment's net asset in the consolidated financial statement RMB'000	The amount of other comprehensive income related to the equity investment transferred to profit and loss RMB'000
Shanghai Electric (Mengcheng) Biomass Power Generation Co., Ltd.	13,289	100%	Equity transfer	May 2026	Completion of equity transfer	25,308	-
Shanghai Electric (Wuhe) Biomass Cogeneration Co., Ltd.	146,394	100%	Equity transfer	May 2026	Completion of equity transfer	(151)	-
Shanghai Electric (Suixi) Biomass Power Generation Co., Ltd.	115,489	100%	Equity transfer	May 2026	Completion of equity transfer	16,058	-
Shanghai Electric (Tianchang) Biomass Power Generation Co., Ltd.	98,085	100%	Equity transfer	May 2026	Completion of equity transfer	26,773	-
Shanghai Electric Xiangshui Biomass Power Generation Co., Ltd.	53,657	100%	Equity transfer	May 2026	Completion of equity transfer	20,757	-
Shangdian Shuzhi Smart Energy (Shantou) Co., Ltd.	-	100%	Cancellation	January 2026	Completion of business cancellation registration	-	-
Gaoyi Zhiheng New Energy Co., Ltd.	-	100%	Cancellation	June 2026	Completion of business cancellation registration	-	-
Shanghai Electric Environmental Protection International Engineering Co., Ltd.	-	100%	Cancellation	May 2026	Completion of business cancellation registration	-	-

8. Revenue and cost of sales

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
Revenue from main operations	61,214,794	51,581,756
Revenue from other operations	1,815,816	2,426,003
Interest income	299,543	295,015
Income from handling charges and commissions	1,815	561
	63,331,968	54,303,335

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
Cost of sales from main operations	50,608,397	42,645,324
Cost of sales from other operations	904,389	1,318,128
Interest expenses	26,335	43,242
Handling charges and commissions	365	351
	51,539,486	44,007,045

Details of revenue from main operations are as follows:

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
Sales of goods	49,982,915	42,868,244
Engineering construction	6,134,865	3,623,076
Rendering of services	5,097,014	5,090,436
	61,214,794	51,581,756

Revenue from main operations includes sales revenue from energy equipment, industrial equipment and integrated services. Cost of sales refers to those of products related to main operations. The Group's segment information has been presented in Note 6.

Details of revenue from other operations are as follows:

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
Sales of raw materials	867,454	1,608,493
Operating leasing income	283,335	294,760
Finance lease income	34,492	39,311
Non-industrial labor services	376,619	130,775
Others	253,916	352,664
	1,815,816	2,426,003

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

8. Revenue and cost of sales (Cont'd)

For the six months ended 30 June 2026 (Unaudited)									
	Sales of goods			Construction services				Others	Total
	China	Other Asian countries/ geographical areas	Other regions	China	Other Asian countries/ geographical areas	Other regions	Rendering of services		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Revenue from main operations	42,526,533	1,390,141	6,066,241	2,656,368	3,303,714	174,783	5,097,014	-	61,214,794
Including: Recognised at a point in time	42,526,533	1,390,141	6,066,241	-	-	-	515,617	-	50,498,532
Recognised over a period of time	-	-	-	2,656,368	3,303,714	174,783	4,581,397	-	10,716,262
Revenue from other operations	740,752	30,970	95,732	-	-	-	376,619	571,743	1,815,816
	43,267,285	1,421,111	6,161,973	2,656,368	3,303,714	174,783	5,473,633	571,743	63,030,610

	For the six months ended 30 June 2025 (Unaudited)								
	Sales of goods			Construction services					
	China	Other Asian countries/ geographical areas	Other regions	China	Other Asian countries/ geographical areas	Other regions	Rendering of services	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from main operations	36,149,374	1,184,391	5,534,479	1,906,365	1,372,384	344,327	5,090,436	-	51,581,756
Including: Recognised at a point in time	36,149,374	1,184,391	5,534,479	-	-	-	752,057	-	43,620,301
Recognised over a period of time	-	-	-	1,906,365	1,372,384	344,327	4,338,379	-	7,961,455
Revenue from other operations	1,562,841	14,138	31,514	-	-	-	130,775	686,735	2,426,003
	37,712,215	1,198,529	5,565,993	1,906,365	1,372,384	344,327	5,221,211	686,735	54,007,759

9. Taxes and surcharges

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
Real estate tax	82,143	77,365
City maintenance and construction tax	95,380	102,647
Stamp duty	60,107	58,945
Educational surcharge	73,903	74,249
Land use tax	19,896	19,195
Others	13,362	27,801
	344,791	360,202

10. Taxation

- (a) The Group's first-tier subsidiaries listed below were awarded the "High-tech Enterprise Certificate" with a valid period of three years by the Science and Technology Commission of Municipality, the Municipal Finance Bureau, the State Administration of Tax Municipal Office and the Municipal Bureau of Local Taxation, and are subject to enterprise income tax at the rate of 15% for the current period.

Name of the first-tier subsidiaries	Applicable period for high-tech enterprises preferential tax rate of 15%	
	Starting year	Ending year
Shanghai Electric Power Generation Environment Protection Engineering Co., Ltd.	2025	2027
Shanghai Electric Distributed Energy Technology Co., Ltd.	2025	2027
Shanghai Turbine Works Co., Ltd.	2025	2027
Shanghai Electric (Anhui) Energy Storage Technology Co., Ltd.	2025	2027
ZTC Technology (Suzhou) Co., Ltd.	2024	2026
Shanghai Electric Nuclear Power Equipment Co., Ltd.	2024	2026
Shanghai Electric SHMP Casting & Forging Co., Ltd.	2024	2026
Shanghai Electric-SPX Engineering & Technologies Co., Ltd.	2024	2026
Shanghai Denso Fuel Injection Co., Ltd.	2024	2026
Shanghai Electric Fuji Electric Power Technology Co., Ltd.	2024	2026
Shanghai Electric SHMP Pulverizing & Special Equipment Co., Ltd.	2024	2026
Shanghai KSB Pumps Co., Ltd.	2024	2026
Shanghai Power Station Auxiliary Machinery Factory Co., Ltd.	2024	2026
Shanghai Electric Wind Power Group Co., Ltd.	2023	2025
Shanghai Electric Group Shanghai Electric Machinery Co., Ltd. (Note)	2023	2025
Shanghai Boiler Works Co., Ltd. (Note)	2023	2025
Shanghai Electric Gas Turbine Co., Ltd. (Note)	2023	2025
Shanghai No.1 Machine Tool Works Co., Ltd. (Note)	2023	2025
Shanghai Centrifuge Institute Co., Ltd. (Note)	2023	2025
Shanghai Electric Digital Technology Co., Ltd. (Note)	2023	2025

Note: The 2026 recertification is currently under application and is expected to be approved, allowing the company to maintain its High-Tech Enterprise certification.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

10. Taxation (Cont'd)

- (b) Pursuant to the Notice of the Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises (Cai Shui [2023] No. 43) jointly issued by the Ministry of Finance and the State Taxation Administration, several subsidiaries of the Group as advanced manufacturing enterprises, are allowed to credit the amount of input VAT deductible in the current period plus 5% thereof against the VAT payable from 1 January 2023 to 31 December 2027.
- (c) The following first-tier subsidiaries of the Group are subject to the local tax rates in accordance with the current laws, interpretative announcements, and practices of the countries in which they operate:

	Income tax rate
Sida Machine Tool Manufacturing Co., Ltd.	15.83%
Shanghai Electric (India) Limited Company	25.00%
Shanghai Electric (Vietnam) Limited Company	20.00%
Shanghai Electric Power Generation (Malaysia) Co., Ltd.	24.00%
Shanghai Electric (Panama) Limited Company	25.00%
Shanghai Electric Group Europa Co., Ltd.	15.00%
Shanghai Electric Hong Kong Co., Ltd.	16.50%
Shanghai Electric Newage Company Limited	16.50%

10. Taxation (Cont'd)

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
Current tax	803,833	670,291
Deferred tax	94,617	114,462
	898,450	784,753

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

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
Total profit	2,570,867	2,831,667
Tax at the statutory tax rate (Note 1)	642,717	707,917
Lower tax rates for specific districts or concessions	(186,790)	(215,659)
Adjustments for current income tax of prior periods	36,782	39,685
Profits and loss attributable to joint ventures and associates	(274,049)	(192,029)
Income not subject to tax	(2,910)	(10,711)
Expenses not deductible for tax	33,347	46,101
Tax incentives on eligible expenditures	(131,983)	(105,298)
Utilization of previously unrecognised tax loss and deductible temporary differences	(47,230)	(36,538)
Tax loss and deductible temporary differences for which no deferred tax assets were recognised	828,566	551,285
Income tax expenses	898,450	784,753

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.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

11. Earnings per share

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.

Basic earnings per share are calculated as follows:

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
Consolidated net profit attributable to ordinary shareholders of the parent company	969,994	820,752
Weighted average number of ordinary shares outstanding (Unit: 1,000 shares)	15,540,122	15,579,125
Basic earnings per share	RMB 0.062 yuan	RMB 0.053 yuan
Including:		
- Basic earnings per share from continuing operations:	RMB 0.062 yuan	RMB 0.053 yuan
- Basic earnings per share from discontinued operations:	-	-

Diluted earnings per share

Diluted earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of outstanding ordinary shares of the Company. For the six months ended 30 June 2026, the Company had no dilutive potential ordinary shares. Therefore, diluted earnings per share equal to basic earnings per share.

12. Dividends

On 5 June 2026, the Company's 2025 annual shareholders' meeting approved the 2025 annual profit distribution plan, distributing a cash dividend of RMB 0.01425 per share (including tax) to all shareholders registered as of the record date.

The Board did not propose to declare an interim dividend for 2026.

13. Fixed assets

	Land and buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Equipment, tools and others RMB'000	Total RMB'000
Cost:					
31 December 2025	19,448,645	25,047,567	466,746	2,863,172	47,826,130
Purchase	859	145,918	15,486	80,234	242,497
Transfer from construction in progress	31,477	660,871	4,338	57,258	753,944
Disposal and retirement	(1,889)	(160,016)	(13,606)	(57,455)	(232,966)
Decrease due to disposal of subsidiaries	(706,783)	(662,152)	(407)	(6,803)	(1,376,145)
Transfer to investment properties	(257)	-	-	-	(257)
Differences on translation of foreign currency financial statements	(42,518)	(102,751)	(632)	(27,130)	(173,031)
30 June 2026	18,729,534	24,929,437	471,925	2,909,276	47,040,172
Accumulated depreciation:					
31 December 2025	7,117,932	14,353,658	373,512	1,742,180	23,587,282
Provision	418,960	762,333	12,057	125,288	1,318,638
Disposal and retirement	(1,330)	(131,618)	(13,111)	(48,388)	(194,447)
Decrease due to disposal of subsidiaries	(165,643)	(317,389)	(289)	(6,336)	(489,657)
Transfer to investment properties	(117)	-	-	-	(117)
Differences on translation of foreign currency financial statements	(20,256)	(66,384)	(493)	(21,728)	(108,861)
30 June 2026	7,349,546	14,600,600	371,676	1,791,016	24,112,838
Provision for impairment:					
31 December 2025	586,138	314,935	277	527	901,877
Provision	79,368	78,000	-	-	157,368
Disposal and retirement	(240)	(14,738)	(20)	(251)	(15,249)
30 June 2026	665,266	378,197	257	276	1,043,996
Net carrying amount:					
30 June 2026	10,714,722	9,950,640	99,992	1,117,984	21,883,338
31 December 2025	11,744,575	10,378,974	92,957	1,120,465	23,336,971

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

13. Fixed assets (Cont'd)

- (a) As at 30 June 2026, the Group pledged fixed assets with a carrying amount of RMB 1,079,908 thousand (31 December 2025: RMB 1,770,606 thousand) to obtain long-term borrowings.
- (b) As at 30 June 2026, the Group's buildings with a net book value of RMB 1,586,659 thousand (31 December 2025: a net book value of RMB 1,135,684 thousand) were under processing for property certificate. Management of the Company believes that there is no substantive legal obstacle for these property certificates, which will not adversely affect the Group's operations. The Group is entitled to legally and effectively possess, use or dispose of the above-mentioned fixed assets.
- (c) As at 30 June 2026, the Group had no significant fixed assets leased out under operating leases.

14. Accounts receivables

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Accounts receivable	54,610,362	54,810,769
Less: Provision for bad debts	(18,274,974)	(17,778,212)
	36,335,388	37,032,557

The aging of accounts receivable was analysed as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Not overdue	20,904,860	23,091,096
Overdue within 1 year	9,668,522	8,287,332
Overdue 1 to 2 years	3,747,382	4,646,754
Overdue 2 to 3 years	3,035,306	2,630,070
Overdue 3 to 4 years	2,898,938	2,220,749
Overdue 4 to 5 years	2,055,321	4,294,992
Overdue over 5 years	12,300,033	9,639,776
	54,610,362	54,810,769

The aging of accounts receivable based on the date of entry was analysed as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 1 year	27,212,271	26,408,936
1 to 2 years	6,072,396	7,134,944
2 to 3 years	3,404,538	3,167,224
3 to 4 years	2,511,318	2,559,992
4 to 5 years	2,441,460	5,175,577
Over 5 years	12,968,379	10,364,096
	54,610,362	54,810,769

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

15. Accounts payable

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Accounts payable	75,538,491	70,637,292

The aging of accounts payable was analysed as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 1 year	64,078,165	60,614,096
Over 1 year	11,460,326	10,023,196
	75,538,491	70,637,292

As at 30 June 2026, accounts payable with ageing over one year amounted to RMB 11,460,326 thousand (31 December 2025: RMB 10,023,196 thousand), which mainly comprised payables for construction projects and payables for materials. Such accounts are unsettled since the projects are still under construction.

16. Short-term borrowings

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Credit borrowings	11,409,157	9,829,102
Mortgage borrowings	20,000	20,000
Pledged borrowings (a)	-	41,000
Secured borrowings (b)	697,097	10,294
Discount borrowings (c)	48,575	152,949
Factoring borrowings	-	13,461
	12,174,829	10,066,806

- (a) As at 30 June 2026, the Group had no future receivables from PPP projects and power generation projects pledged to secure bank short-term borrowings (as at 31 December 2025, certain future receivables from the Group's PPP projects and power generation projects were pledged to secure bank short-term borrowings of RMB 41,000 thousand and bank long-term borrowings of RMB 3,499,458 thousand).
- (b) As at 30 June 2026, the Group provided guarantees of RMB 697,097 thousand for short-term borrowings of certain subsidiaries (31 December 2025: RMB 10,294 thousand).
- (c) As at 30 June 2026, the Group discounted trade acceptance notes of RMB 22,504 thousand and bank acceptance notes of RMB 26,071 thousand to obtain short-term bank borrowings of RMB 48,575 thousand (As at 31 December 2025, the Group discounted trade acceptance notes of RMB 138,464 thousand and bank acceptance notes of RMB 13,976 thousand to obtain short-term bank borrowings of RMB 152,949 thousand).

As at 30 June 2026, the annual interest rate of short-term borrowings was 1.33% to 4.18% (31 December 2025: 1.30% to 4.17%).

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

17. Long-term borrowings

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Credit borrowings	15,346,982	22,036,346
Mortgage borrowings	2,073,205	2,243,084
Pledged borrowings(a)	4,789,810	4,923,926
Secured borrowings(b)	2,319,259	3,118,639
	24,529,256	32,321,995
Less: Current portion of long-term borrowings	(5,019,668)	(6,486,276)
	19,509,588	25,835,719

- (a) As at 30 June 2026, the Group pledged accounts receivable with a carrying amount of RMB 442,141 thousand (31 December 2025: RMB 1,444,727 thousand) to obtain long-term borrowings of RMB 357,564 thousand (31 December 2025: RMB 1,424,468 thousand).

As at 30 June 2026, the Group pledged the future collection rights of several PPP projects and power generation projects to the bank to obtain long-term borrowings of RMB 4,276,904 thousand (as at 31 December 2025, the Group pledged the future collection rights of several PPP projects and power generation projects to the bank to obtain short-term borrowings of RMB 41,000 thousand and bank long-term borrowings of RMB 3,499,458 thousand).

As at 30 June 2026, equity interests of the Group were pledged to secure bank long-term borrowings of RMB 155,342 thousand (31 December 2025: Nil).

- (b) As at 30 June 2026, the Company and its subsidiaries provided guarantees of RMB 2,319,259 thousand for long-term borrowings of certain subsidiaries (31 December 2025: RMB 3,118,639 thousand).

As at 30 June 2026, the annual interest rate of long-term borrowings was 1.75% to 5.35% (31 December 2025: 1.00% to 5.35%).

As at 30 June 2026, the analysis of the maturity period of long-term borrowings is as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
1 to 2 years	5,854,470	6,451,589
2 to 5 years	4,371,634	10,561,063
Over 5 years	9,283,484	8,823,067
	19,509,588	25,835,719

18. Bonds payable

	31 December 2025 (Audited)	Addition in the current period	Interest accrued at par value	Amortisation of premium or discount	Repayment in the current period	30 June 2026 (Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
25 Hudian MTN001(a)	1,000,086	-	9,670	173	-	1,009,929
25 Hudian MTN002(a)	1,000,086	-	9,670	173	-	1,009,929
26 Hudian MTN001(b)	-	2,000,000	9,416	(1,828)	-	2,007,588
26 Hudian MTN002(b)	-	2,000,000	9,416	(1,828)	-	2,007,588
25 Hufeng MTN002(c)	1,001,077	-	10,364	98	-	1,011,539
Less: Bonds payable due within one year	3,797					52,333
	2,997,452					6,994,240

- (a) On 11 December 2025, the Company issued the first and second tranches of its 2025 Innovation and Technology Bonds. The bonds have a term of 3 years, with an issue date of 12 December 2025 and a maturity date of 12 December 2028. They were issued at par value, with a total issuance amount of RMB 1 billion for each tranche, a coupon rate of 1.85%, and interest payable annually.
- (b) On 26 March 2026, the Company issued the first and second tranches of its 2026 Innovation and Technology Bonds. The bonds have a term of 3 years, with an issue date of 27 March 2026 and a maturity date of 27 March 2029. They were issued at par value, with a total issuance amount of RMB 2 billion for each tranche, a coupon rate of 1.69%, and interest payable annually.
- (c) On 2 December 2025, Shanghai Electric Wind Power Group Co., Ltd., a subsidiary of the Group, issued its second tranche of 2025 Innovation and Technology Bonds. The bonds have a term of 3 years, with an issue date of 2 December 2025 and a maturity date of 2 December 2028. They were issued at par value, with a total issuance amount of RMB 1 billion, a coupon rate of 2.09%, and interest payable annually.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

19. Share capital

	Movements in the current period						30 June 2026 (Unaudited) RMB'000
	31 December 2025 (Audited) RMB'000	Shares newly issued RMB'000	Bonus share RMB'000	Transfer from capital surplus RMB'000	Others RMB'000	Sub-total RMB'000	
Ordinary shares denominated in RMB	12,615,640	-	-	-	-	-	12,615,640
Foreign shares listed overseas	2,924,482	-	-	-	-	-	2,924,482
	15,540,122	-	-	-	-	-	15,540,122

	Movements in the current period						30 June 2025 (Unaudited) RMB'000
	31 December 2024 (Audited) RMB'000	Shares newly issued RMB'000	Bonus share RMB'000	Transfer from capital surplus RMB'000	Others RMB'000	Sub-total RMB'000	
Ordinary shares denominated in RMB	12,655,327	-	-	-	-	-	12,655,327
Foreign shares listed overseas	2,924,482	-	-	-	-	-	2,924,482
	15,579,809	-	-	-	-	-	15,579,809

20. Contingent liabilities

In June 2008, Shanghai Electric signed the Equipment Supply and Service Contract with an Indian buyer to provide major equipment and related services to a coal-fired power station project in Sasan, India, with a total contract amount of USD 1,311 million, and a guarantee letter from its related parties was provided for the payment obligations under the contract.

In December 2019, due to long-term default in the payment of equipment expenses and other related expenses by the buyer, the Company submitted an arbitration application to the Singapore International Arbitration Centre ("SIAC"), requiring the guarantor to pay the Company at least USD 135 million of equipment expenses and other related payables ("Arbitration I") as prescribed in the guarantee letter, and in December 2020, the Company submitted an application to the High Court of Delhi, India for property preservation of the Guarantor, the court has granted the Company a temporary property preservation order.

In August 2021, the Company received a copy of the petition ("Lawsuit I") filed by the lawyer of the operator of the coal-fired power station project, in which the operator sued the general contractor and the buyer of the project (related parties of the operator) and the Company, seeking joint liabilities from all defendants for losses of approximately RMB 2,133 million.

In December 2021, the Company received a notice of acceptance from the Singapore International Arbitration Center regarding the arbitration application (hereinafter referred to as "Arbitration II") filed by the buyer against the Company. The buyer claimed that the Company should compensate them for approximately USD 389 million in losses under this contract. This includes a total of USD 324 million for power plant operation losses and electricity revenue losses that should be compensated to the project operator, USD 31 million for repair costs, USD 34 million for liquidated damages due to delayed equipment shipment, as well as interest and other expenses. Additionally, the buyer argued that the project performance bond was unreasonably released and demanded that the Company issue a performance bond of USD 120 million to secure their claims.

In July 2022, the High Court of Bombay in India dismissed the petition ("Lawsuit I") on the grounds that the plaintiff did not satisfy the conditions of the lawsuit and failed to amend the petition within the prescribed time.

In December 2022, the Company received an award from the SIAC in relation to Arbitration I. The award is as follows: the Guarantor is ordered to pay to the Company a total of USD 146 million, including the outstanding amount of the construction work, pre-award interest and other legal fees; the Guarantor is ordered to pay to the Company post-award interest on the amount of the award from 28 days after the award was rendered to the date of payment; and the guarantor was ordered to pay 85% of the final arbitration costs. As at the date of this financial report, the Company has not yet received these payments.

In May 2023, the Company formally initiated the recognition and enforcement proceedings for the "Arbitration I" award at the High Court of Delhi, India. Additionally, the Company received a notice from the Singapore International Commercial Court ("SICC") indicating that the guarantor had filed an application with the SICC to set aside the "Arbitration I" award rendered by the SIAC. This application to set aside has been accepted by the SICC.

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

20. Contingent liabilities (Cont'd)

On 31 January 2024, the Company received a notice from the SICC stating that the court had issued a judgment dismissing the guarantor's application to set aside the "Arbitration I" award and ordering the guarantor to pay the Company the related litigation costs. On 3 March 2024, the Company was notified that the guarantor had filed an appeal with the Singapore Court of Appeal to set aside the judgment of the SICC. This appeal has been accepted by the Singapore Court of Appeal. On 31 July 2024, the Singapore Court of Appeal ruled to dismiss the guarantor's appeal and ordered the guarantor to pay the Company the related litigation costs.

In March 2024, the Company formally obtained a final order from the High Court of Delhi, India, for interim protective measures. The order prohibits the guarantor from using its assets for external financing and stipulates that, in the event of asset disposal such as through auction, the Company's claims shall be prioritized for repayment after the settlement of bank debts.

On 30 June 2026, the Company received the award in "Arbitration II" issued by the Singapore International Arbitration Centre, which dismissed all substantive claims made by the Buyer and had res judicata effect; accordingly, the Company prevailed. The award is as follows: (1) All claims by the Buyer were dismissed except for costs; (2) The Buyer was ordered to pay the Company legal fees and expert fees totaling USD 1,278,442.00; (3) The Company was ordered to pay the Buyer arbitration fees of SGD 92,382.19. As at the date of issue of these financial statements, the Company has not yet received the aforementioned amounts.

As at the date of issuance of these financial statements, the enforcement of "Arbitration I" and "Arbitration II" remains pending. Based on written opinions from external legal counsel, the Company believes that the claims made by the opposing party in the relevant arbitrations are unlikely to be upheld. Therefore, no provision for contingent liabilities has been recognized in relation to these disputes.

Apart from the aforementioned legal matters, as at 30 June 2026, the Group's contingent liabilities related to other pending litigation and arbitration amounted to RMB 2,189,791 thousand. No provisions have been made for these disputes as management considers it unlikely that the claims by the opposing parties will be sustained (31 December 2025: nil).

As at 30 June 2026, the maximum amount of loan guarantees provided by the Group to related parties was RMB 1,004,741 thousand, with actual loan guarantees issued amounting to RMB 720,924 thousand (31 December 2025: RMB 769,126 thousand). The Group provided a counter-guarantee to Ultimate holding company with an estimated maximum amount of USD 110 million (equivalent to RMB 752 million). No bank acceptance bills were issued for related parties during the period (31 December 2025: nil). The Group recognized a provision for contingent liabilities related to the above amounting to RMB 93,403 thousand.

21. Commitments

(1) Capital commitments

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Contracted	575,843	776,424
Authorised but not contracted	94,736	121,790
	670,579	898,214

(2) Financial leases - As the lessor

According to the lease contracts signed with the lessee, the minimum lease receipts under irrevocable leases are as follows:

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Within 1 year (inclusive)	1,486,771	1,600,582
1 to 2 years (inclusive)	413,836	524,625
2 to 3 years (inclusive)	370,173	383,313
Over 3 years	720,458	802,032
	2,991,238	3,310,552

(3) Investment commitments

	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
Contracted but not fulfilled	456,051	973,423

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

22. Related party transactions

The pricing on transactions between the Group and related parties is based on market prices of similar products or businesses.

(1) Significant transactions between the Group and related parties during the period are as follows:

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
--	--	--

Purchases of materials and acceptance of services from:

SEC group companies	91,301	50,101
Joint ventures	9,557	-
Associates	1,552,327	1,005,148
Other related companies	458,604	228,812
	2,111,789	1,284,061

Sales of goods and provision of services to:

SEGC	74,239	46,525
SEC group companies	204,369	87,919
Joint ventures	1,992	38
Associates	139,621	195,232
Other related companies	55,264	23
	475,485	329,737

22. Related party transactions (Cont'd)

(1) Significant transactions between the Group and related parties during the period are as follows (Cont'd):

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
As a lessor:		
Lease income:		
SEGC	35	1,611
SEC group companies	115,862	80,116
Joint ventures	3,691	4,241
Associates	28,092	23,975
	147,680	109,943

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2026 (CONT'D)

22. Related party transactions (Cont'd)

(2) Loans provided to the Group by related parties

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
SEGC	-	159,100

(3) Guarantees provided to related parties

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Maximum amount RMB'000	Actual guarantee amount RMB'000	Maximum amount RMB'000	Actual guarantee amount RMB'000
Thar Coal Field No. 1 Area Power Generation Co., Ltd.	751,741	644,439	775,791	692,641
Tianjin Qingyuan Water Treatment Technology Co., Ltd.	253,000	76,485	253,000	76,485
Yumen Xinneng CSP No.1 Electric Power Co., Ltd.	-	-	100,000	-

22. Related party transactions (Cont'd)

(4) Compensation of key management personnel of the Group

	For the six months ended 30 June 2026 (Unaudited) RMB'000	For the six months ended 30 June 2025 (Unaudited) RMB'000
Directors	1,849	1,547
Supervisors	-	235
Senior management	2,451	2,030
	4,300	3,812

23. Approval of unaudited interim consolidated financial information

The interim consolidated financial information is unaudited but reviewed by the audit committee of the Company.

The unaudited interim consolidated financial information was approved to be issued by the Board of Directors on 28 August 2026.