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**SHANGHAI ELECTRIC GROUP COMPANY LIMITED**

上海電氣集團股份有限公司

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

**(Stock Code: 02727)**

**VOLUNTARY ANNOUNCEMENT**

**ANNOUNCEMENT ON PROGRESS OF MATERIAL ARBITRATIONS**

References are made to the voluntary announcements disclosed on 17 December 2019, 30 December 2021, 14 December 2022 and 28 May 2023 of the Company in relation to the arbitrations of Shanghai Electric Group Company Limited (the “**Company**”) involving the project of Sasan 6\*600MW Ultra Large Supercritical Coal-fired Power Station in India (the “**Project**”).

**I. General Information on the Material Arbitrations**

In June 2008, the Company and Reliance Infra Projects (UK) Limited (the “**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, Reliance Infrastructure Limited (the “**Reliance**”) issued the letter of guarantee for the payment obligations of Reliance UK under the Contract, and Sasan Power Limited 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 to the Singapore International Arbitration Centre (the “**SIAC**”) for arbitration 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 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 request the Company to compensate for its 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 request 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 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 in its entirety. The application was accepted by the SICC.

The disputes involved in the above arbitrations are referring to the project of Sasan 6\*600MW Ultra Large Supercritical Coal-fired Power Station in India.

## **II. Progress of Material Arbitrations**

On 31 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 awarding Reliance to pay to the Company the litigation costs related to this case.

## **III. Impact of the Progress on the Profits of the Company for the Current or Subsequent Periods**

As the First Arbitration is yet to be executed and the Second Arbitration has not been concluded, there is still uncertainty about the impact on the Company's current or subsequent profits. The Company will carry out corresponding accounting treatment according to the requirements of relevant accounting standards and actual conditions based on the trial and execution progress and results. Meanwhile, according to the progress of the cases, the Company will fulfill the obligation of information disclosure.

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

By order of the Board

**Shanghai Electric Group Company Limited**

**WU Lei**

*Chairman of the Board*

Shanghai, the PRC, 1 February 2024

*As at the date of this announcement, the executive directors of the Company are Dr. WU Lei, Mr. LIU Ping and Mr. ZHU Zhaokai; the non-executive directors of the Company are Ms. YAO Minfang and Ms. LI An; and the independent non-executive directors of the Company are Dr. XI Juntong, Dr. XU Jianxin and Dr. LIU Yunhong.*

*\* For identification purpose only*