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東方電氣股份有限公司
DONGFANG ELECTRIC CO., LTD.

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

(Stock Code: 1072)

**ADJUSTMENT TO REPURCHASE PRICE OF RESTRICTED
SHARES UNDER THE RESTRICTED A SHARE INCENTIVE
SCHEME FOR 2019
AND
REPURCHASE AND CANCELLATION OF
CERTAIN RESTRICTED SHARES**

References are made to Dongfang Electric Corporation Limited (the “**Company**”) (i) announcements dated 27 September 2019, 22 November 2019, 9 January 2020, 24 September 2020, 10 November 2020, 27 November 2020, 2 February 2021, 29 April 2021, 18 June 2021 and 29 June 2021; (ii) circulars of general meeting dated 1 November 2019, 7 November 2020 and 28 May 2021; and (iii) announcements of poll results of the general meeting dated 22 November 2019, 27 November 2020 and 29 June 2021, in relation to, among other things, the adoption of the Restricted A Share Incentive Scheme for 2019 (the “**Incentive Scheme**”), the First Grant and the Reserved Grant of the Restricted Shares under the Incentive Scheme, Repurchase and Cancellation of Certain Restricted Shares granted by the Incentive Scheme. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as those defined in the above announcements and circulars.

On 8 December 2021, the Board and the Supervisory Committee of the Company have considered and approved the Adjustment to the Repurchase Price of Restricted Shares under the Restricted A Share Incentive Scheme for 2019 and the Resolution on the Repurchase and Cancellation of Certain Restricted Shares.

I. ADJUSTMENT TO THE REPURCHASE PRICE OF THE RESTRICTED SHARES UNDER THE INCENTIVE SCHEME

Reasons for and Results of the Adjustment

The Company implemented the 2020 annual dividend distribution on 30 July 2021, pursuant to which a cash dividend of RMB0.18 (tax inclusive) per Share was distributed based on the total share capital of 3,119,626,130 Shares of the Company before the implementation of the scheme. Therefore, the Board made adjustments to the repurchase price of the Restricted Shares for the First and Reserved Grant of the Incentive Scheme under the authorization granted at the 2019 first extraordinary general meeting, 2019 first A Share class meeting and 2019 first H Share class meeting.

After adjustment, the repurchase price per Restricted Share for the First Grant under the Incentive Scheme is RMB5.545, and the repurchase price per Restricted Share for the Reserved Grant under the Incentive Scheme is RMB6.36.

II. REPURCHASE AND CANCELLATION OF CERTAIN RESTRICTED SHARES

Reasons for Repurchase and Cancellation of Certain Restricted Shares and Quantity

Pursuant to the Incentive Scheme and the requirements of relevant laws and regulations, three Participants under the First Grant has resigned due to personal reasons and are no longer qualified as Participants; one Participant have breached relevant regulations and is no longer qualified as a Participant; one Participant failed to achieve the target of the individual performance appraisal. The Board has considered and decided to repurchase and cancel all the unqualified Restricted Shares totaling 150,000 A Shares that have been granted to the aforesaid five Participants and still locked up.

Repurchase Price

The Company has implemented the 2020 annual dividend distribution. The repurchase price of the Restricted Shares granted under the Incentive Scheme must be adjusted accordingly in accordance with the relevant adjustment mechanism of the Incentive Scheme. Therefore, the repurchase price for the Restricted Shares under the First Grant was adjusted to RMB5.545 per A Share.

In accordance with the provisions of the Incentive Scheme, when a Participant tenders resignation during the term of his/her employment contract, his/her Restricted Shares which have not been unlocked shall be repurchased at the lower of the grant price or the market price of the Company's Shares at the

time of repurchase. Since the repurchase price is lower than the market price of RMB21.38 per Share at the time of this repurchase, the repurchase price of the Restricted Shares of three Participants under the First Grant who resigned due to personal reasons is RMB5.545 per Share; the repurchase price of the Restricted Shares of one Participant who has breached relevant regulations and is no longer qualified as a Participant is RMB5.545 per Share; the repurchase price of the Restricted Shares of one Participant who failed to satisfy the conditions for the first unlocking period under the First Grant of the Incentive Scheme due to the failure to achieve the target of the individual performance appraisal is RMB5.545 per Share.

Total Amount and Source of Funds for the Repurchase

The amount of the repurchase price payable by the Company for the repurchase of the Restricted Shares is RMB831,750, all of which are from the Company's self-owned funds..

Changes in Share Structure upon the Repurchase and Cancellation

Upon completion of the Repurchase and Cancellation, the total number of Shares of the Company will be changed from 3,119,151,130 Shares to 3,119,001,130 Shares.

The repurchase and cancellation of Restricted Shares under the Incentive Scheme is subject to being submitted to the general meeting, A Shares Class Meeting and H Shares Class Meeting for consideration. The notice of the EGM and H Shares Class Meeting will be sent to H-share shareholders on 13 December 2021. The Company will perform information disclosure and handle the procedures for registered capital reduction and shares cancellation registration in accordance with relevant laws and regulations regarding the repurchase and cancellation upon obtaining the approval at the general meeting.

SUSPENSION OF SHARE TRANSFER REGISTRATION

In order to determine the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 23 December 2021 to Tuesday, 28 December 2021(both dates inclusive) during which period no transfers of H Shares will be effected. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in respect of H Shares, namely Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 22 December 2021. The record date and arrangements in respect of the holders of A Shares who are entitled to attend the EGM and A Shares Class Meeting will be determined and announced separately in the PRC by the Company.

By Order of the Board
Dongfang Electric Corporation Limited
Gong Dan
Company Secretary

Chengdu, Sichuan, the PRC
8 December 2021

As at the date of this announcement, the directors of the Company are as follows:

Directors: *Yu Peigen, Xu Peng and Zhang Yanjun*

Independent Non-executive Directors: *Liu Dengqing, Huang Feng and Ma Yongqiang*