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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)

**ANNOUNCEMENT IN RELATION TO
IMPLEMENTATION OF REPURCHASE AND
CANCELLATION OF CERTAIN RESTRICTED SHARES**

References are made to the announcement of Dongfang Electric Corporation Limited (the “**Company**”) dated 8 December 2021 in relation to the repurchase and cancellation of certain restricted shares and the announcement dated 5 January 2022 in relation to the repurchase and cancellation of certain restricted shares and capital reduction and notice to creditors (the “**Announcements**”).

Reasons for, Number of Shares Under and Fund Source for the Repurchase and Cancellation of Certain Restricted Shares

As disclosed in the Announcements, as three Participant under the First Grant has resigned due to personal reasons and are no longer qualified as Participants; one Participant has breached relevant regulations and no longer qualified as Participants; one Participant failed to achieve the target of the individual performance appraisal. The Board has considered and decided to repurchase and cancel all the Restricted Shares totalling 150,000 shares A share that have been granted to the aforesaid 5 Participants yet still locked up.

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. Upon completion of the Repurchase and Cancellation, the number of Participants under the First Grant will be changed to 761, and there will be 27,300,699 Restricted A Shares remaining held by Participants under the First Grant.

Arrangements for the Repurchase and Cancellation

The Company has opened a special securities account for the repurchase with China Securities Depository and Clearing Corporation Limited, Shanghai Branch (“**CSDC Shanghai Branch**”), and has submitted the relevant application for the repurchase and cancellation to CSDC Shanghai Branch. The cancellation of the Restricted Shares is expected to be completed on 10 March 2022. The Company will handle relevant subsequent procedures for industrial and commercial registration of changes in accordance with laws.

Changes in Share Structure of the Company upon the Repurchase and Cancellation of Restricted Shares

Upon the repurchase and cancellation of Restricted Shares of the Company, the changes in the share structure of the Company are as follows:

Class	Before the Change	The Change (+/-)	After the Change
Tradable shares subject to selling restrictions	782,250,762	-150,000	782,100,762
Tradable shares not subject to selling restrictions	2,336,900,368	0	2,336,900,368
1. Tradable A shares not subject to selling restrictions	1,996,900,368	0	1,996,900,368
2. Tradable H shares not subject to selling restrictions	340,000,000	0	340,000,000
Other overseas listed shares	0	0	0
Total shares	3,119,151,130	-150,000	3,119,001,130

STATEMENTS AND UNDERTAKINGS

The Board of the Company is of the view that: The decision-making process and information disclosure relating to the repurchase and cancellation of Restricted Shares complied with the laws and regulations, provisions under the Administrative Measures on Share Incentives of Listed Companies, the Incentive Scheme of the Company, and the arrangements under the Agreement on Granting of Restricted Shares, without prejudice to the legitimate rights and interests of Participants and benefits of creditors. The repurchase and cancellation of Restricted Shares will not affect the stability of the management team of the Company, nor will it have material impact on the operating results and financial position of the Company.

The Company undertakes that: The Company has verified and guaranteed the truthfulness, accuracy and completeness of information in respect of Participants, number of shares and cancellation date in relation to the repurchase and cancellation of Restricted Shares, and has duly informed relevant Participants of the repurchase and cancellation, who have not raised objection against the said matter. In case dispute arises between the Company and the Participants as a result of the repurchase and cancellation, the Company shall bear relevant legal liabilities arising therefrom.

CONCLUSION OF THE LEGAL OPINION

Beijing King & Wood Mallesons (Chengdu) Law Office has expressed its conclusive opinion that, as of the date of the legal opinion, the Company has fulfilled the necessary decision-making process and information disclosure obligation in relation to the repurchase and cancellation at the current stage, which is in compliance with relevant provisions under the Administrative Measures, the Trial Measures and the Incentive Scheme (Amended Draft); the reasons for, number of shares involved, price for the repurchase and arrangements for the repurchase and cancellation comply with relevant provisions under the Administrative Measures, the Trial Measures and the Incentive Scheme (Amended Draft); the Company will be required to handle the procedures for registered capital reduction and shares cancellation in accordance with the Company Law and other relevant laws and regulations, and fulfil corresponding information disclosure obligation.

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

Chengdu, Sichuan, the PRC
7 March 2022

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