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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 announcements of Dongfang Electric Corporation Limited (the “**Company**”) dated 30 October 2023 and 5 January 2024 in relation to the repurchase and cancellation of certain restricted shares, the announcement dated 12 January 2024 in relation to repurchase and cancellation of certain restricted shares and capital reduction and notice to creditors and the announcement dated 5 February 2024 in relation to the poll results of the 2024 first extraordinary general meeting, the 2024 first A shares class meeting and the 2024 first H shares class meeting (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, pursuant to the Restricted A Share Incentive Scheme for 2019 (Amended Draft) (the “**Incentive Scheme (Amended Draft)**”) of the Company and the requirements of relevant laws and regulations, one Participant under the Reserved Grant has been transferred from the Company due to organizational arrangements and is no longer qualified as Participant, and the Board has considered and decided to repurchase and cancel all the Restricted Shares (13,334 shares in total) that have been granted to the aforesaid Participant yet still locked up.

Pursuant to the Incentive Scheme (Amended Draft) of the Company and the requirements of relevant laws and regulations, 39 Participants under the First Grant have been included in the Other Employee Stock Ownership Scheme and therefore could no longer participate in the Incentive Scheme of the Company in accordance with the relevant provisions of the SASAC of the State Council; 23 Participants are no longer qualified due to their retirement after reaching the statutory retirement age; seven Participants have been transferred from the Company due to organizational arrangements and are no longer qualified as Participants; two Participants have resigned due to personal reasons and are no longer qualified as Participants; two Participants do not meet the conditions for the unlock of the third phase of the First Grant of the Incentive Scheme due to the substandard personal performance assessment; one Participant is no longer qualified due to his/her service as the supervisor of the Company; and one Participant is no longer qualified due to suspected violations of his/her duties. The Board has considered and decided to repurchase and cancel all the Restricted Shares (1,021,006 shares in total) that have been granted to the aforesaid 75 Participants yet still locked up.

The amount of the repurchase price payable by the Company for the repurchase of the Restricted Shares is approximately RMB5,564,288.12, all of which are from the Company's self-owned funds.

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 14 March 2024. 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:

Share Class	Before the Change <i>Number of shares</i>	The Change (+/-)	After the Change <i>Number of shares</i>
Shares subject to selling restrictions (non-tradable A shares)	755,229,738	-1,034,340	754,195,398
Shares not subject to selling restrictions (tradable A shares)	2,023,304,059	0	2,023,304,059
H shares	340,000,000	0	340,000,000
Total shares	<u>3,118,533,797</u>	<u>-1,034,340</u>	<u>3,117,499,457</u>

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 obtained the necessary approval and authorisation in relation to the repurchase and cancellation at the current stage, which is in compliance with relevant provisions under the Administrative Measures, and the Incentive Scheme (Amended Draft); the reasons for, number of shares involved, and repurchase price of the repurchase and cancellation comply with relevant provisions under the Administrative Measures, and the Incentive Scheme (Amended Draft); the Company is required to fulfill information disclosure obligation regarding the repurchase and cancellation, and is also required to handle the procedures for registered capital reduction and shares cancellation in accordance with the Company Law and other relevant laws and regulations.

By Order of the Board
Dongfang Electric Corporation Limited
Feng Yong
Joint Company Secretary

Chengdu, Sichuan Province, the PRC
11 March 2024

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

Directors: *Yu Peigen, Song Zhiyuan, Liu Zhiquan, Zhang Yanjun and Sun Guojun*

Independent Non-executive Directors: *Liu Dengqing, Huang Feng and Zeng Daorong*