THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Dongfang Electric Corporation Limited**, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

DEC

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)

(1) 2025 WORK REPORT OF THE BOARD;
(2) 2025 ANNUAL REPORT;
(3) 2025 PROFIT DISTRIBUTION PLAN;
(4) APPOINTMENT OF AUDITOR FOR 2026;
(5) RESOLUTION ON THE GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE SHARES;
(6) RESOLUTION ON THE REMUNERATION MANAGEMENT MEASURES OF THE COMPANY;
(7) RESOLUTION ON THE 2026 REMUNERATION PLAN FOR MEMBERS OF THE BOARD;
AND
(8) NOTICE OF THE 2025 AGM

The 2025 AGM will be held at the conference room of the Company, No. 18 Xixin Road, High-Tech West District, Chengdu City, Sichuan Province, the PRC on Friday, 29 May 2026 at 9:00 a.m., the notice of which is set out on pages 5 to 7 of this circular.

The proxy form and reply slip for use in connection with the 2025 AGM are enclosed herewith. The proxy form and reply slip are also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (http://dfem.wsfg.hk/), and have been despatched to H Shareholders in the manner in which H Shareholders have selected to receive corporate communications.

Any Shareholder entitled to attend and vote at the 2025 AGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy need not be a Shareholder of the Company. If you intend to appoint a proxy to attend the 2025 AGM and vote on your behalf, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return them by hand, by post or by facsimile to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders only) as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the 2025 AGM (i.e. before 9:00 a.m. on Thursday, 28 May 2026). Completion and return of the proxy form will not preclude you from attending and voting at the 2025 AGM or any adjournment thereof should you so wish.

8 May 2026

CONTENTS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"AGM" or "2025 AGM"	the 2025 AGM of the Company to be held at the conference room of the Company, No. 18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC on Friday, 29 May 2026 at 9:00 a.m.
"A Shares"	the domestic shares of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
"Articles of Association"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"Board"	the board of the Directors of the Company
"Company"	東方電氣股份有限公司(Dongfang Electric Corporation Limited), a joint stock limited company incorporated in the PRC with limited liability whose H Shares and A Shares are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange, respectively
"Company Law"	the Company Law of the People's Republic of China (as amended, supplemented or otherwise modified from time to time)
"Securities Law"	the Securities Law of the People's Republic of China, (as amended, supplemented or otherwise modified from time to time)
"Director(s)"	director(s) of the Company
"H Shares"	overseas listed foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and traded in Hong Kong dollars
"H Shareholder(s)"	holder(s) of H Shares
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Non-executive Director(s)" or "Independent Director(s)"	independent non-executive Director(s) of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC" or "Mainland"	the People's Republic of China which, for the purpose of this circular, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	registered holder(s) of the Shares of the Company
"Shares"	the shares of the Company, including A Shares and H Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

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)

Non-executive Directors:
Mr. Luo Qianyi *(Chairman)*
Mr. Zhang Shaofeng

Directors:
Mr. Zhang Yanjun
Mr. Sun Guojun

Independent Non-executive Directors:
Mr. Huang Feng
Mr. Zeng Daorong
Ms. Chen Yu

Registered Office:
No. 18 Xixin Road
High-Tech District (Western District)
Chengdu City
Sichuan Province, the PRC

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

8 May 2026

To the Shareholders

Dear Sir or Madam,

(1) 2025 WORK REPORT OF THE BOARD;
(2) 2025 ANNUAL REPORT;
(3) 2025 PROFIT DISTRIBUTION PLAN;
(4) APPOINTMENT OF AUDITOR FOR 2026;
(5) RESOLUTION ON THE GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE SHARES;
(6) RESOLUTION ON THE REMUNERATION MANAGEMENT MEASURES OF THE COMPANY;
(7) RESOLUTION ON THE 2026 REMUNERATION PLAN FOR MEMBERS OF THE BOARD;
AND
(8) NOTICE OF THE 2025 AGM

I. INTRODUCTION

The purpose of this circular is to provide you, with all reasonably necessary information in relation to the notice of the 2025 AGM dated 8 May 2026 to enable you to make an informed decision as to voting for or against the resolutions to be proposed at the 2025 AGM.

II. MATTERS TO BE DEALT WITH AT THE 2025 AGM

The matters to be dealt with at the 2025 AGM are set out in detail in the notice of the 2025 AGM, which is contained on pages 5 to 7 of this circular.

At the 2025 AGM, ordinary resolutions will be proposed to approve (i) the 2025 work report of the Board of the Company; (ii) the 2025 annual report of the Company; (iii) the resolution on the 2025 profit distribution plan of the Company; (iv) the appointment of the auditor of the Company for 2026; (vi) the resolution on the remuneration management measures of the Company; and (vii) the Resolution on the 2026 Remuneration Plan for Members of the Board.

At the 2025 AGM, a special resolution will be proposed to approve (v) the grant of general mandate to the Board to issue shares by general meeting.

In order to enable you to have a better understanding of the resolutions to be proposed at the 2025 AGM and to provide you with sufficient and necessary information for making an informed decision, detailed information has been provided to shareholders in Appendix I to this circular, which contains particulars and explanations of the resolutions to be proposed for approval at the 2025 AGM.

III. 2025 AGM

The 2025 AGM will be held at the conference room of the Company, No. 18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC on Friday, 29 May 2026 at 9:00 a.m. to consider and, if thought fit, approve the matters as set out in the notice convening the 2025 AGM set out in pages 5 to 7.

Any shareholder entitled to attend and vote at the 2025 AGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy needs not be a Shareholder. The proxy form for use at the 2025 AGM is enclosed with this circular. Holders of A Shares may use the proxy form published by the Company on the website of the Shanghai Stock Exchange instead of the proxy form for use at the 2025 AGM. The proxy form and reply slip are also published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (http://dfem.wsfg.hk/). Whether or not you intend to be present at such meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (with respect to the holders of H Shares) or the Company's registered office at No. 18 Xixin Road, HighTech District (Western District), Chengdu City, Sichuan Province, the PRC (postal code: 611731) (with respect to the holders of A Shares), no later than 24 hours before the time fixed for holding the 2025 AGM or any adjournment thereof.

Completion and delivery of the proxy form will not prevent you from attending and voting at the 2025 AGM or any adjournment thereof if you so wish.

IV. CLOSURE OF REGISTER OF HOLDERS OF H SHARES

The register of holders of H Shares of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of H Shares will be effected. In order to qualify for attending the 2025 AGM, all transfer documents of H Shares accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 22 May 2026.

V. REQUIREMENTS UNDER THE LISTING RULES

Pursuant to the Listing Rules, any vote of shareholders at a general meeting shall, save for certain specified circumstances, be taken by way of poll. Accordingly, the resolutions set out in the notice of the 2025 AGM will be put to vote by way of poll. The poll results will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (http://dfen.wsfg.hk/) after the conclusion of the 2025 AGM.

In accordance with the Articles of Association, among the resolutions in the notice of the 2025 AGM, resolutions No. (i) to No. (iv) and No. (vi) to No. (vii) are all ordinary resolutions to be passed by the affirmative votes representing at least more than one half of the total number of Shares held by the attending Shareholders having voting rights; resolution No. (v) is a special resolution to be passed by the affirmative votes representing at least two-thirds of the total number of Shares held by the attending Shareholders having voting rights.

VI. RECOMMENDATION

The Board considers that each of the resolutions to be proposed at the 2025 AGM is in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favour of the resolutions to be proposed at the 2025 AGM.

Yours faithfully,
By Order of the Board
Dongfang Electric Corporation Limited
Chairman
Luo Qianyi

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)

NOTICE OF THE 2025 AGM

NOTICE IS HEREBY GIVEN that the 2025 annual general meeting (the "**2025 AGM**") of Dongfang Electric Corporation Limited (the "**Company**") will be held at the conference room of the Company, No. 18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC at 9:00 a.m. on Friday, 29 May 2026 for the purpose of considering and, if thought fit, passing the following resolutions. Unless otherwise specified, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 8 May 2026 (the "**Circular**").

ORDINARY RESOLUTIONS

1. To consider and approve the resolution on the 2025 work report of the Board of the Company.

2. To consider and approve the resolution on the 2025 annual report of the Company.

3. To consider and approve the resolution on the 2025 profit distribution plan of the Company.

4. To consider and approve the resolution on the appointment of the auditor of the Company for 2026.

SPECIAL RESOLUTION

5. To consider and approve the resolution on the grant of general mandate to the Board to issue Shares by general meeting.

ORDINARY RESOLUTIONS

6. To consider and approve the resolution on the remuneration management measures of the Company.

7. To consider and approve the resolution on the 2026 Remuneration Plan for Members of the Board.

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

Chengdu, Sichuan Province, the PRC
8 May 2026

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

Non-executive Directors:	*Mr. Luo Qianyi (Chairman) and Mr. Zhang Shaofeng*
Directors:	*Mr. Zhang Yanjun and Mr. Sun Guojun*
Independent Non-executive Directors:	*Mr. Huang Feng, Mr. Zeng Daorong and Ms. Chen Yu*

Notes:

1. Details of the aforesaid resolutions are set out in the Appendix I to the Circular.

2. In order to determine the entitlement to attend and vote at the AGM, Holders of the Company's H Shares should note that the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both days 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 Computershare Hong Kong Investor Services 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 Friday, 22 May 2026. Holders of the Company's H Shares who intend to attend the AGM should deliver the completed and signed reply slip for attending at the AGM, a copy of each of the shareholding document(s), copies of their identity cards or passports (with the pages showing the names of such Shareholders) by hand, by post (postal code: 611731) or by facsimile (fax number: (86) 28 8758 3551), to the correspondence address of the Company (No. 18 Xixin Road, High-Tech Western District, Chengdu City, Sichuan Province, the PRC) with the attention to the office of the Board on or before Thursday, 28 May 2026. The record date and arrangements in respect of the holders of A Shares who are entitled to attend the AGM will be determined and announced separately in the PRC by the Company.

3. Any Shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy or more proxies (who need(s) not be a Shareholder of the Company) to attend the AGM and vote thereat in his/her/its stead. For Shareholders of the Company who appoint more than one proxy, the voting right can only be exercised by their proxies on a poll.

4. Any Shareholder of the Company who intends to appoint a proxy to attend the AGM shall put it in writing, to be signed by the appointer or his/her/its attorney duly authorized in writing. If any appointer is a corporation, the proxy form must be affixed with the common seal of such Shareholder, or signed by any of its directors or attorney duly authorized in writing. If the proxy form is signed by an attorney authorized by the appointer, the power of attorney or other authority must be notarially certified. The notarially certified power of attorney or other authority together with the instrument appointing the proxy must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders only) not later than 24 hours before the time appointed for the holding of the AGM. Completion and return of the proxy form will not affect the rights of the Shareholders of the Company to attend and vote at the AGM in person.

5. Proxies of holders of H Shares shall bring along the instrument(s) for appointing a proxy (if applicable) and the proxies' identity cards or passports to attend the AGM.

6. An ordinary resolution shall be passed by the Shareholders (including proxies) representing more than half of the votes represented by the Shareholders (including proxies) present at the AGM. A special resolution shall be passed by the Shareholders (including proxies) representing more than two-third of the votes represented by the Shareholders (including proxies) present at the AGM.

7. The AGM will last for not more than one day. Shareholders and proxies attending the AGM of the Company should be responsible for their own accommodation, travelling and other relevant expenses.

8. Contact details of the Company are set out as follows:

   Correspondence address: No. 18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC
   Contact person: Ms. YANG Shuang
   Telephone: (86) 28 8758 3666
   Fax: (86) 28 8758 3551
   Email address: dsb@dongfang.com
   Postal code: 611731

ORDINARY RESOLUTIONS:

(1) TO CONSIDER AND APPROVE THE RESOLUTION ON THE 2025 WORK REPORT OF THE BOARD OF THE COMPANY

Pursuant to the requirements of the Company Law and the Articles of Association, the Board of the Company shall report the annual work of the Board to the shareholders' meeting.

The 2025 work report of the Board was considered and approved on 31 March 2026 by the Board, and will be submitted to the AGM as an ordinary resolution for approval, details of which are set out in the "Report of the Board of Directors" of the 2025 annual report. The 2025 annual report of the Company was published on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company's website (http://dfem.wsfg.hk/).

(2) TO CONSIDER AND APPROVE THE RESOLUTION ON THE 2025 ANNUAL REPORT OF THE COMPANY

The 2025 annual report was considered and approved on 31 March 2026 by the Board. The 2025 annual report has been published on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company's website (http://dfem.wsfg.hk/) and has been despatched to H Shareholders in the manner in which H Shareholders have selected to receive corporate communications.

(3) TO CONSIDER AND APPROVE THE RESOLUTION ON THE 2025 PROFIT DISTRIBUTION PLAN OF THE COMPANY

The 2025 profit distribution plan of the Company:

As audited by BDO China Shu Lun Pan Certified Public Accountants LLP, the Company achieved net profit attributable to owners of the parent company of RMB3,831,301,222.13 for the year 2025, and the net profit of the parent company was RMB1,431,920,010.96. The Company proposes to base on the current total share capital of the Company of 3,458,360,326 shares to distribute a cash dividend of RMB5.30 for every 10 shares (tax inclusive), representing a total cash dividend of RMB1,832,930,972.78, accounting for 47.84% of the net profit attributable to owners of the parent company in the 2025 consolidated financial statements. The Company will not convert any capital reserve into share capital or make any bonus issue.

The 2025 profit distribution plan has been considered and approved by the Board on 31 March 2026, and is now submitted to the AGM for its consideration and approval. Upon the approval at the 2025 AGM, the Company will pay the dividend to the Shareholders according to the distribution plan within two months from the date convening the 2025 AGM.

The Company shall make a separate announcement in accordance with the relevant Listing Rules and the Articles of Association after determining the record date, the date of closure of register of members and the date of dividend distribution to Shareholders.

(4) TO CONSIDER AND APPROVE THE RESOLUTION ON THE APPOINTMENT OF THE AUDITOR OF THE COMPANY FOR 2026

The Company has approved the appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the auditor of the Company for the year 2025 at the 2024 annual general meeting. BDO China Shu Lun Pan Certified Public Accountants LLP has successfully completed the relevant audit and internal control work for the year 2025. As recommended by the audit and risk committee of the Board and as considered and approved at the nineteenth meeting of the eleventh session of the Board to propose at the 2025 AGM to the Shareholders to consider and approve the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the auditor of the Company for the year 2026, and to authorize the Board to fix its remuneration. The Company's audit fee (including internal control audit) for 2025 was RMB2.73 million. Having considered the Company's business scale, estimated audit scope, work requirements, and required time, it is expected that the Company's audit fee for 2026 to increase by approximately 10% based on the 2025 audit fee.

The above-mentioned resolution has been considered and approved by the Board on 29 April 2026, and is now submitted to the AGM for its consideration and approval.

SPECIAL RESOLUTION:

(5) TO CONSIDER AND APPROVE THE RESOLUTION ON THE GRANT OF GENERAL MANDATE TO THE BOARD TO ISSUE SHARES BY GENERAL MEETING

In order to ensure the sustainable development of the Company's business and the long-term interests of its shareholders, and in accordance with the relevant provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Listing Rules, and the Articles of Association, it is proposed that the shareholders' meeting of the Company grants a general and unconditional mandate to the Board to determine, separately or concurrently, to issue A Shares and/or H Shares not exceeding 20% of the respective number of the A Shares or H Shares in issue of the Company (hereinafter referred to as the "General Mandate"), with details as follows:

Details of the Mandate

Details of the mandate include but not limited to:

(I) Subject to the conditions set forth in paragraph (II) below, the granting of a General Mandate to the Board during the Relevant Period (as defined below) to decide, based on market conditions and the needs of the Company, separately or concurrently issue additional shares of the issued A Shares and/or H Shares of the Company during the Relevant Period (as defined below), and to make or grant decisions which might require the exercise of such powers (including authorising the Board during the Relevant Period to make or grant decisions which might require the exercise of such powers after the end of the Relevant Period).

(II) The aggregate number of the A Shares and/or H Shares conditionally or unconditionally agreed to be issued (whether under share options or otherwise) by the Board shall not exceed 20% of the class of Shares in issue of the Company when this resolution is approved by the general meeting.

(III) The Board of the Company is authorised to formulate and implement the detailed issuance plan when exercising the above General Mandate, including but not limited to (i) the class and number of the new shares to be issued, (ii) the pricing mechanism and/or issue price (including price range), (iii) starting and closing date of the issuance, (iv) use of proceeds, (v) the making or granting of authorisations in respect of decisions which may require the exercise of such rights, (vi) other contents that the detailed issuance plan should contain as required by the relevant laws and regulations and other normative documents, the relevant regulatory institutions, and the stock exchange where the Company's Shares are listed.

(IV) The Board is authorised to engage intermediary institutions in respect of the issuance of Shares, to approve and sign all acts, documents and other matters necessary or relevant to the issuance of Shares, to consider, approve, and sign, on behalf of the Company, agreements related to the issuance of Shares, including but not limited to subscription agreements, underwriting agreements and engagement agreements of intermediaries.

(V) The Board of the Company is authorised to consider, approve and execute, on behalf of the Company, statutory documents related to the issuance of Shares for submission to the relevant regulatory authorities, to carry out relevant approval procedures as required by regulatory authorities and the places in which the Company is listed, and to file all necessary filings, registrations and record with the relevant governmental authorities of Hong Kong and/or any other regions or jurisdictions (if applicable).

(VI) The Board of the Company is authorised to amend, as required by domestic and overseas regulatory authorities, relevant agreements and statutory documents referred to in items (IV) and (V) above.

(VII) The Board of the Company is authorised to approve the increase in registered capital of the Company after issuance of the new Shares, make appropriate and necessary amendments to the relevant contents of total share capital and shareholding structure in the Articles of Association, and carry out the relevant approval, registration and filing procedures pursuant to domestic and overseas statutory requirements, and take any other action and any procedures required to implement the issuance of shares and the increase in the registered capital of the Company pursuant to this resolution.

(VIII) Upon obtaining of the aforesaid mandate by the Board, to delegate the above authority to the authorised person(s) of the Board to jointly or individually sign, execute, amend, complete, submit all agreements, contracts and documents relating to the issuance of shares under the General Mandate unless otherwise required under the relevant laws and regulations.

(IX) Exercise of the General Mandate by the Board of the Company is subject to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Listing Rules, or all applicable laws, regulations and rules of any other governmental or regulatory authorities.

Except that the Board makes or grants, during the Relevant Period, relevant decisions regarding the issue of A Shares and/or H Shares which may require the exercise of such rights and which may need to be further promoted or implemented after the end of the Relevant Period, the above authority shall not extend beyond the Relevant Period. The "Relevant Period" referred to in this resolution means the period commencing from the date on which this resolution is approved as a special resolution at the general meeting and ending on the earliest of the following dates:

(i) the conclusion of the Company's next annual general meeting following the date of passing of this resolution; or

(ii) the revocation or variation of the authority described in this resolution by passing of a special resolution of the Company in any general meeting.

Should the Board or its authorised person(s), during the Relevant Period, sign the necessary documents, complete the formalities or take relevant steps which might require to be performed, carried out upon or after the end of the above Relevant Period or continued until the end of the above Relevant Period, the Relevant Period will be extended accordingly.

The above-mentioned resolution has been considered and approved by the Board on 31 March 2026, and is now submitted to the AGM for its consideration and approval.

ORDINARY RESOLUTIONS

(6) TO CONSIDER AND APPROVE THE RESOLUTION ON THE REMUNERATION MANAGEMENT MEASURES OF THE COMPANY

In accordance with the latest regulatory requirements, and to further establish a remuneration management system for directors and senior management that features clearly defined responsibilities, transparent standards, and effective incentives, thereby safeguarding the legitimate rights and interests of the Company and all its shareholders, and promoting the Company's long-term healthy development, the Board of Directors considered and approved the draft of the Remuneration Management Measures of Dongfang Electric Corporation Limited on 29 April 2026, which is now submitted to the AGM for consideration and approval. Details are as follows.

1 General Provisions

1.1 In order to further regulate the remuneration management of Dongfang Electric Co., Ltd. (hereinafter referred to as the "Company"), establish a wage determination mechanism that is generally aligned with the labor market and linked to the Company's economic performance, labor cost efficiency, and labor productivity, improve effective incentive and restraint mechanisms, fully mobilize the enthusiasm and creativity of the Company's employees, and promote high-quality development of the Company, these Measures are formulated in light of the Company's actual conditions.

1.2 These Measures apply to the management of the Company's total wage bill, as well as the performance and remuneration management of the Company's directors and senior management.

1.3 These Measures apply to the Company.

2 Definitions

2.1 Total wage bill means the total amount of labor remuneration paid directly by the Company to all its employees and other personnel (excluding dispatched workers, the same below) within a fiscal year, including wages, bonuses, allowances, subsidies, overtime pay, and other types of wage-related expenses.

2.2 Directors means all directors appointed with the approval of the general meeting, including non-independent directors and independent directors.

2.3 Senior management means the president, senior vice presidents, vice presidents, chief accountant, secretary to the Board of Directors, general counsel, and other personnel identified by the Articles of Association as performing key management and operational duties, who are appointed by the Board of Directors.

3 Mechanism for Determining the Total Wage Bill

3.1 The total wage bill of the Company is subject to budget management. Each year, in line with its development strategy and based on its production and operation targets, economic performance, and human resources management requirements, the Company makes budget arrangements for the determination, disbursement, and adjustment of the total wage bill, and exercises effective control and supervision over it.

3.2 Composition of the total wage bill. The total wage bill consists of the base amount of the total wage bill, the linked portion of the total wage bill, and special items under the total wage bill list.

3.2.1 The base amount of the total wage bill is determined as the total wage bill actually accrued or disbursed by the Company in the preceding year.

3.2.2 The linked portion of the total wage bill is determined based on the Company's economic performance, labor cost efficiency, and labor productivity. The Company shall establish a wage-benefit linkage mechanism, an efficiency and productivity benchmarking adjustment mechanism, and a wage level control mechanism.

3.2.2.1 Wage-benefit linkage mechanism. The budget for the Company's total wage bill is linked to its total profit, and is determined based on the increase or decrease in the annual budgeted total profit.

If economic performance improves, the growth rate of the total wage bill for the year may be set within a range not exceeding the growth rate of economic performance.

If economic performance deteriorates, the total wage bill for the year shall in principle be reduced, unless the decline is caused by non-operational factors such as policy adjustments or force majeure.

If economic performance declines significantly, resulting in a substantial decrease in the total wage bill as determined under the wage-benefit linkage mechanism, the decrease in the total wage bill for the year may be capped at 20%.

3.2.2.2 Efficiency and productivity benchmarking adjustment mechanism. Based on the Company's benchmarking results on labor cost efficiency and labor productivity indicators, a benchmarking adjustment factor shall be set in tiers, on the basis of the wage-benefit linkage mechanism set out in Section 3.2.2.1 of these Measures.

Where economic performance is improving, but both labor cost efficiency and labor productivity are below the industry average, the benchmarking adjustment factor shall in principle not exceed 0.9.

Where economic performance is deteriorating, but labor productivity does not decline and labor cost efficiency is significantly better than the industry average, the total wage bill may be reduced by a moderately smaller margin.

The labor productivity indicator refers to labor productivity; the labor cost efficiency indicator refers to the labor cost profit margin.

3.2.2.3 Wage level control mechanism. Based on the wage guidelines issued annually by the relevant state authorities, and taking into account industry and the Company's internal distribution relationships, the Company shall reasonably control the growth of wage levels on the basis of the total wage bill determined above.

3.2.3 Special items list under the total wage bill.

3.2.3.1 Included in the special items list under the total wage bill are: remuneration for national-level innovation platforms such as the State Key Laboratory, for leading talents and teams engaged in core technology breakthroughs, for medium- and long-term incentives such as dividend distribution, and for overseas entities established as part of the "Going Global" strategy, among others.

3.2.3.2 The Company shall dynamically adjust the items on the special items list in response to changes in the Company's development strategy and circumstances.

3.2.3.3 Special items and the total wage bill required for them shall be separately identified in the annual total wage bill budget. If the total wage bill required for implementing special items cannot be reasonably accommodated within the total wage bill budget linked to economic performance, such amount may be accounted for as a special item, managed separately within the annual total wage bill budget, and shall not be included in the base amount of the total wage bill budget or linked to economic performance indicators.

3.3 The Company shall continue to deepen the reform of its internal income distribution system, establish a remuneration management system based on job value and performance contribution, and build a remuneration distribution system adapted to market competition. Wage distribution shall prioritize key technology talents, urgently needed high-caliber talents, and high-skilled frontline production personnel, with reasonable pay differentials to enhance incentive effects.

4 Performance Management for Directors and Senior Management

4.1 Governance Bodies

4.1.1 The Board of Directors of the Company has overall responsibility for the performance appraisal of directors and senior management. The performance evaluation of directors and senior management shall be organized and implemented by the Remuneration and Assessment Committee of the Board. The Company's Human Resources Department shall assist the Remuneration and Assessment Committee in carrying out specific tasks such as the implementation of performance appraisals.

4.1.2 The Board of Directors has the authority to adjust the appraisal methods, indicators and weightings, and appraisal results.

4.2 Appraisal Cycle. The Company implements term-based and contract-based management for senior management. Performance appraisals include annual appraisals and term appraisals.

4.3 Performance Appraisal Content and Indicators

4.3.1 Based on the different duties and areas of responsibility of the Company's directors and senior management personnel, different appraisal content and weightings shall be adopted, closely linked to individual performance goals, so that individual performance goals are tightly integrated with the Company's overall strategic goals.

4.3.2 Proposed target values for performance appraisal indicators shall be put forward by the Remuneration and Assessment Committee and reported to the Board for approval.

4.4 Appraisal Process. The Company's Human Resources Department shall propose appraisal recommendations based on the completion status of indicators under the individual annual performance responsibility letter and individual term performance responsibility letter of senior management. These recommendations shall be submitted to the Remuneration and Assessment Committee for review and then to the Board for approval.

4.5 When the Remuneration and Assessment Committee evaluates an individual director's performance, the relevant director shall recuse himself/herself.

4.6 The Board shall report to the general meeting on the directors' performance of duties and performance evaluation results, and shall disclose such information.

5 Remuneration Management for Directors and Senior Management

5.1 Division of Responsibilities

5.1.1 The Remuneration and Assessment Committee is responsible for formulating the remuneration policies and plans for the Company's directors and senior management, and for making recommendations to the Board regarding their remuneration.

5.1.2 The remuneration plan for directors shall be reviewed and approved by the Company's general meeting and disclosed. The remuneration for senior management shall be reviewed and approved by the Board, explained to the general meeting, and disclosed.

5.1.3 When the Board or the Remuneration and Assessment Committee reviews a remuneration proposal for an individual director or senior management, the relevant director or senior management shall recuse himself/herself.

5.1.4 The Company's Human Resources Department shall assist the Remuneration and Assessment Committee in carrying out specific tasks such as the implementation of the remuneration plan.

5.2 Remuneration Structure and Standards

5.2.1 Director remuneration

5.2.1.1 Non-independent directors. Those holding management positions in the controlling shareholder or the Company shall have their remuneration standards determined based on the positions they hold and shall not receive additional allowances. Those not holding management positions in the Company shall in principle not receive remuneration or allowances from the Company.

5.2.1.2 Independent directors. Remuneration shall consist of two parts: annual basic remuneration and meeting attendance allowances. The remuneration standards shall be proposed by the Remuneration and Assessment Committee, submitted after Board review to the general meeting for approval, and disclosed.

5.2.2 The remuneration system for senior management consists of annual remuneration, term incentive income, and medium- and long-term incentives.

5.2.2.1 Annual remuneration includes base salary, performance salary, and special bonus.

5.2.2.1.1 Base salary is the annual basic remuneration income of senior management and shall in principle be determined once per year.

5.2.2.1.2 Performance salary is remuneration income linked to the Company's overall operating performance, the individual's annual performance appraisal results, and the individual's annual comprehensive assessment results. The proportion of performance salary shall in principle not be less than 60% of the annual remuneration (base salary + performance salary).

Performance salary shall be prepaid on a monthly basis according to a certain percentage. After the annual report is disclosed, the performance salary shall be determined based on audited financial data and annual appraisal results, and settled in a one-time lump sum payment.

5.2.2.1.3 Special bonus is incentive remuneration awarded to senior management personnel for outstanding achievements in completing key tasks or critical work.

5.2.2.2 Term incentive income is remuneration income linked to the Company's term operating performance appraisal results and the senior management term comprehensive assessment results. It shall be determined on the basis of 10% of the senior management total remuneration level during the term.

5.2.2.3 Medium- and long-term incentives are linked to the Company's medium- and long-term development strategy and medium- to long-term performance appraisal indicators, including but not limited to equity incentives for listed companies and employee stock ownership plans. Specific plans shall be formulated by the Remuneration and Assessment Committee, reviewed by the Board, and submitted to the general meeting for approval before implementation.

5.2.3 If the Company incurs an operating loss, the review of director and senior management remuneration shall specifically explain whether changes in their remuneration comply with performance linkage requirements.

5.2.4 Senior management of the Company shall not receive any other welfare-related monetary income beyond what is prescribed by the Company.

5.3 Remuneration Clawback and Recovery

5.3.1 When the Company restates its financial reports retrospectively due to misstatements such as financial fraud, it shall promptly reassess the performance-based remuneration and medium- to long-term incentive income of directors and senior management and correspondingly recover any excess amounts paid.

5.3.2 If a director or senior management breaches their duties and causes losses to the Company, or is at fault for illegal or non-compliant acts such as financial fraud, misappropriation of funds, or illegal guarantees, the Company shall, based on the severity of the circumstances, reduce or cease payment of any unpaid performance-based remuneration and medium- to long-term incentive income, and shall fully or partially recover any performance-based remuneration and medium- to long-term incentive income already paid during the period in which the relevant acts occurred.

5.3.3 If, after a director or senior management leaves the Company, it is discovered that during their tenure any circumstances requiring remuneration clawback as described above existed, the Company shall still have the right to pursue clawback from them.

6 Supplementary Provisions

6.1 Matters not covered by these Measures shall be handled in accordance with relevant national laws and regulations and the Company's Articles of Association.

6.2 These Measures shall be interpreted by the Board of the Company.

6.3 These Measures shall be issued after approval by the Company's general meeting and shall take effect as of the date of issuance.

The above-mentioned resolution has been considered and approved by the Board on 29 April 2026, and is hereby proposed at the 2025 AGM for consideration and approval.

(7) TO CONSIDER AND APPROVE THE RESOLUTION ON THE 2026 REMUNERATION PLAN FOR MEMBERS OF THE BOARD

In accordance with the applicable provisions, the Board has formulated the 2026 Remuneration Plan for Directors based on the actual situation of the Company.

I. REMUNERATION PLAN FOR DIRECTORS

(I) Applicable Persons

Persons holding the position of director of the Company.

(II) Applicable Term

1 January 2026 to 31 December 2026.

(III) Remuneration Arrangements

1. Independent Non-executive Directors: the remuneration determination rules shall remain consistent with those of 2025, comprising annual basic remuneration and meeting allowances. The annual basic remuneration is RMB70,000; an additional RMB10,000 shall be paid to those serving as the chairperson of a special committee. Meeting allowances are calculated based on actual attendance at meetings of the Board or special committees, at a rate of RMB3,000 per meeting.

2. Other Directors: at present, all directors other than independent non-executive directors are concurrently appointed by the management of Dongfang Electric Corporation. Their remuneration shall be governed by relevant provisions of the State and shall not be paid by the Company.

(IV) Supplementary Provisions

1. The annual basic remuneration for independent non-executive directors shall be paid monthly during their term of office, and meeting allowances shall be disbursed according to actual attendance at meetings of the Board or special committees.

2. No director shall receive any other emoluments other than those specified herein without the approval of the Board of the Company.

3. Remuneration for independent non-executive directors shall be paid within the budget for directors' fees of the Company.

4. All remuneration stated herein is pre-tax. Individual income tax shall be withheld and paid in accordance with applicable national regulations upon actual disbursement.

5. Post-related benefits and business expenses of directors shall be implemented in accordance with the Company's regulations.

II. APPROVAL PROCEDURES

(I) Consideration by the Remuneration and Assessment Committee of the Board

On 27 April 2026, the Remuneration and Assessment Committee of the Board held its first meeting of 2026, considered the Resolution on the 2026 Remuneration Plan for Members of the Board and submitted it to the Board for consideration.

(II) Consideration by the Board

On 29 April 2026, the nineteenth meeting of the eleventh session of the Board was convened to consider the Resolution on the 2026 Remuneration Plan for Members of the Board. All Directors abstained from voting on the Resolution on the 2026 Remuneration Plan for Members of the Board, which shall be submitted directly to the general meeting for consideration.

The above resolution has been considered and approved by the Board on 29 April 2026, and is hereby proposed at the 2025 AGM for consideration and approval.