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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)

**NOTICE OF THE 2021 FIRST EXTRAORDINARY GENERAL
MEETING**

NOTICE IS HEREBY GIVEN that the 2021 First Extraordinary General Meeting 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 People’s Republic of China at 9:00 a.m. on Tuesday, 28 December 2021 for the purpose of considering and, if thought fit, passing the following resolutions:

SPECIAL RESOLUTION

1. Resolution on the Repurchase and Cancellation of Certain Restricted Shares

ORDINARY RESOLUTIONS

2. Resolutions on the Ordinary Continuing Related Transactions for 2022 to 2024
 - 2.1 To consider and approve the Purchase and Production Services Framework Agreement
 - 2.2 To consider and approve the 2022 Sales and Production Services Framework Agreement
 - 2.3 To consider and approve the 2022 Combined Ancillary Services Framework Agreement

- 2.4 To consider and approve the 2022 Financial Services Framework Agreement
- 2.5 To consider and approve the 2022 Properties and Equipment Lessee Framework Agreement
- 2.6 To consider and approve the Properties and Equipment Lessor Framework Agreement

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

Chengdu, Sichuan Province, the PRC
13 December 2021

As at the date of this notice, 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

Notes:

1. REPURCHASE AND CANCELLATION OF CERTAIN RESTRICTED SHARES

References are made to (i) the 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, 29 June 2021 and 8 December 2021; (ii) the circulars of general meeting dated 1 November 2019, 7 November 2020 and 28 May 2021; and (iii) the announcements of poll results of general meeting dated 22 November 2019, 27 November 2020 and 29 June 2021 of the Company, 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 under the Incentive Scheme.

Reasons for the 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 have resigned due to personal reasons and are no longer qualified as Participants; one Participant has 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 are 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 A Share at the time of this repurchase, the repurchase price of the Restricted Shares of those three Participants under the First Grant who resigned due to personal reasons is RMB5.545 per A Share; the repurchase price of the Restricted Shares of that one Participant who has breached relevant regulations and is no longer qualified as a Participant is RMB5.545 per A Share; the repurchase price of the Restricted Shares of that 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 A 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 changes in the capital structure of the Company are as follows:

Class of Shares	Before the Change		The Change (+/-)	After the Change	
	Number of Shares	Proportion		Number of Shares	Proportion
Shares subject to selling restrictions	782,250,762	25.08%	-150,000	782,100,762	25.08%
Shares not subject to selling restrictions	2,336,900,368	74.92%	0	2,336,900,368	74.92%
Total Shares	3,119,151,130	100.00%	-150,000	3,119,001,130	100.00%

Effects of the Repurchase and Cancellation of Certain Restricted Shares on the Company

The Repurchase and Cancellation of Certain Restricted Shares will not have material effects on the Company's financial position and operating results, nor will it affect the diligence and conscientiousness of the management team of the Company, who will continue to perform their duties earnestly and create value for the Shareholders.

Opinion of Independent Directors

The independent Directors of the Company carefully reviewed the relevant resolutions considered at the seventh meeting of the tenth session of the Board of the Company, and issued the following opinions:

In accordance with the Incentive Scheme (revised draft) and the requirements of relevant laws and regulations, three Participants under the First Grant have resigned due to personal reasons and are no longer qualified as Participants, one Participant has breached relevant regulations and is no longer qualified as a Participant, and one Participant 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. 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 are still locked up.

The Repurchase and Cancellation of Certain Restricted Shares are in accordance with relevant requirements of the Administrative Measures and the Incentive Scheme (Revised Draft) of the Company, and the procedures are legal and compliant. The Repurchase and Cancellation will affect neither the continuing implementation of the Incentive Scheme (Revised Draft) nor the going concern status of the Company, nor will it prejudice the interests of the Company and the Shareholders.

Opinions of the Supervisory Committee

The Supervisory Committee is of the view that the Repurchase and Cancellation of Certain Restricted Shares of five Participants involved are in accordance with the Administrative Measures and other laws and regulations as well as the relevant requirements of the Incentive Scheme (Revised Draft), and in line with the interests of all Shareholders and Participants of the Company. The review procedures of the Board for the Repurchase and Cancellation of the Restricted Shares are in accordance with the relevant regulations and are legal and effective. The funds for the share repurchase of the Company are its own funds, which will not have a substantial impact on the financial position and operating results of the Company, will not affect the diligence and conscientiousness of the management team and core staff of the Company, and will not prejudice the interests of the Company and its Shareholders as a whole. In summary, the Supervisory Committee agreed to the Repurchase and Cancellation of Certain Restricted Shares.

Summary of the Legal Opinion

As of the date of issuance of the legal opinion, the Company has obtained the necessary approvals and authorizations at this stage for the unlocking, the Adjustment of the Repurchase Price and the Repurchase and Cancellation; the unlocking fulfilled the conditions for the unlocking as stipulated in the Incentive Scheme (Revised Draft); the Adjustment of the Repurchase Price is in compliance with relevant provisions of the Administrative Measures, the Articles of Association and the Incentive Scheme (Revised Draft); the reasons for, number and price of the Repurchase and Cancellation of the Company are in compliance with relevant provisions of the Administrative Measures, the Articles of Association and the Incentive Scheme (Revised Draft); the Repurchase and Cancellation are subject to the consideration and approval at the general meeting of the Company; the Company is required to fulfill its obligations of information disclosure in accordance with the law in relation to the unlocking, the Adjustment of the Repurchase Price and the Repurchase and Cancellation; the unlocking is subject to the application to the securities registration and settlement institution for the unlocking; the Repurchase and Cancellation is subject to the reduction of registered capital and the registration of the cancellation of shares in accordance with the provisions of the Company Law and other laws and regulations.

Review Opinions of the Independent Financial Adviser

Shanghai Realize Investment Consulting Co., Ltd., is of the opinion that as at the date of the report, Dongfang Electric Corporation Limited has obtained necessary approvals and authorization for the Repurchase and Cancellation of the Restricted Shares, and has complied with relevant provisions of the Administrative Measures, the Trial Measures, the Notice, the Working Guidelines as well as the Incentive Scheme (Revised Draft); the Company still has to carry out relevant information disclosure within the prescribed period and handle relevant subsequent formalities with the Shanghai Stock Exchange and China Securities Depository & Clearing Corp. Ltd., Shanghai Branch for the Repurchase and Cancellation pursuant to relevant provisions of the Administrative Measures and the Incentive Scheme (Revised Draft).

2. 2022 DEC FRAMEWORK AGREEMENTS

Reference is made to the announcement of the Company dated 8 December 2021 in relation to (among others) the 2022 DEC Framework Agreements entered into and the determination of the annual caps of transactions thereunder, for a term commencing on 1 January 2022 and ending on 31 December 2024. As stated in the announcement of the Company dated 8 December 2021, the above-mentioned transactions constitute continuing connected transactions of the Company and are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

However, as the total annual cap amount of the 2022 DEC Framework Agreements is more than RMB30 million and has reached more than 5% of the Group's latest audited net assets, according to the Shanghai Listing Rules and the "Guidelines for the Implementation of Related Party Transactions for Listed Companies on the Shanghai Stock Exchange" requirements, the 2022 DEC Framework Agreements must be approved by the independent shareholders at the Company's general meeting of shareholders.

Dongfang Electric Corporation and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) and related parties (as defined under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange) will abstain from voting on the relevant resolutions.

Summary of the annual caps for the 2022 DEC Framework Agreements

Name of agreement	Annual cap for each year of 2022 to 2024 (RMB'000)
Purchase and Production Services Framework Agreement	1,800,000
2022 Sales and Production Services Framework Agreement	1,800,000
2022 Combined Ancillary Services Framework Agreement	6,000
2022 Financial Services Framework Agreement	1,800,000
2022 Properties and Equipment Lessee Framework Agreement	500,000
Properties and Equipment Lessor Framework Agreement	2,000

For details of the 2022 DEC Framework Agreements, please refer to the announcement of the Company dated 8 December 2021.

3. All holders of the Company's H shares whose names appear on the register of members of the Company on Thursday, 23 December 2021 are entitled to attend the EGM and should bring along their identity cards or passports when attending the EGM. Holders of the Company's H Shares should note that 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. Holders of the Company's H shares who intend to attend the EGM should deliver the completed and signed reply slip for attending at the EGM, 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 87583333), to the correspondence address of the Company (No. 18 Xixin Road, High-Tech District (Western District), Chengdu City, Sichuan Province, the PRC) with the attention to the office of the Board on or before Monday, 27 December 2021. The record date and arrangements in respect of the holders of A Shares who are entitled to attend the EGM will be determined and announced separately in the PRC by the Company.
4. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy or more proxies (who need not be a shareholder of the Company) to attend the EGM and vote thereat in his/her 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.
5. Any shareholder of the Company who intends to appoint a proxy to attend the EGM shall put it in writing, to be signed by the appointer or his/her attorney duly authorized in writing. If any holder of the Company's H Shares who intends to appoint a proxy 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 shareholder of the Company, 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, Hong Kong Registrars 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 EGM. Completion and return of the proxy form will not affect the rights of the shareholders of the Company to attend and vote at the EGM in person.
6. Proxies of holders of the Company's H Shares shall bring along the proxy form, instrument(s) for appointing a proxy (if applicable) and the proxies' identity cards or passports to attend the EGM.
7. An ordinary resolution shall be passed by shareholders (including proxies) representing more than half of the votes represented by the shareholders (including proxies) present at the EGM. A special resolution shall be passed by shareholders (including proxies) representing more than two-thirds of the votes represented by the shareholders (including proxies) present at the EGM.

8. Directors, supervisors and senior management of the Company and the witnessing lawyers and other relevant staff members employed by the Company will attend the EGM.
9. The EGM will last for no more than one day. Shareholders and proxies attending the EGM of the Company should be responsible for their own accommodation, travelling and other relevant expenses.
10. Contact details of the Company are set out as follows:

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Chengdu City, Sichuan Province, the PRC

Contact person: Mr. Liu Zhi
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