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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 29 April 2022 in relation to the repurchase and cancellation of certain restricted shares, the announcement dated 18 May 2022 in relation to the repurchase and cancellation of certain restricted shares and capital reduction and notice to creditors and the announcement dated 29 June 2022 in relation to the poll results of the 2021 annual general meeting, the 2022 first A shares class meeting and the 2022 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, three Participants under the First Grant have retired and are no longer qualified as Participants; and a Participant has resigned due to personal reason and is no longer qualified as a Participant. The Board has considered and decided to repurchase and cancel all the Restricted Shares totalling 193,333 Restricted A Shares that have been granted to the aforesaid 4 Participants yet still locked up.

The amount of the repurchase price payable by the Company for the repurchase of the Restricted Shares is RMB1,135,910, 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 757.

### **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 July 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	773,018,530	-193,333	772,825,197
Tradable shares not subject to selling restrictions	2,345,982,600	0	2,345,982,600
1. Tradable A shares not subject to selling restrictions	2,005,982,600	0	2,005,982,600
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	<u>3,119,001,130</u>	<u>-193,333</u>	<u>3,118,807,797</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 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  
11 July 2022

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

*Directors:* **Yu Peigen, Xu Peng, Zhang Yanjun, Liu Zhiquan and Zhang Jilie**

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