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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 28 December 2022 in relation to the repurchase and cancellation of certain restricted shares, announcement dated 3 January 2023 in relation to repurchase and cancellation of certain restricted shares and capital reduction and notice to creditors and the announcement dated 24 February 2023 in relation to the poll results of the 2023 first extraordinary general meeting, the 2023 first A shares class meeting and the 2023 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, three Participants under the First Grant are no longer qualified as Participants due to the enterprise restructuring and termination of labor contract with the enterprise, three Participants are no longer qualified as the Participants due to the organizational arrangement of being transferred from the Company, three Participants are no longer qualified as Participants due to the violation of relevant laws and regulations, and four Participants do not meet the conditions for the unlock of the second phase of the First Grant of the Incentive Scheme due to the substandard personal performance assessment. The Board has considered and decided to repurchase and cancel the Restricted Shares totalling 274,000 Restricted A Shares that have been granted to the aforesaid 13 Participants yet still locked up.

The amount of the repurchase price payable by the Company for the repurchase of the Restricted Shares is approximately RMB1,456,310, 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 13 March 2023. 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 ( <i>A shares</i> )	763,673,634	-274,000	763,399,634
Tradable shares not subject to selling restrictions	2,355,134,163	0	2,355,134,163
1. Tradable A shares not subject to selling restrictions	2,015,134,163	0	2,015,134,163
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>3,118,807,797</u>	<u>-274,000</u>	<u>3,118,533,797</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  
8 March 2023

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

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

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