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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)

PLACING OF NEW H SHARES UNDER GENERAL MANDATE

Sole Overall Coordinator and Sole Placing Agent



CITIC SECURITIES

On 18 September 2025 (before trading hours), the Company entered into the Placing Agreement with the Sole Placing Agent, pursuant to which the Sole Placing Agent has conditionally agreed, as the Company's sole placing agent, to procure, on a best effort basis, not less than six Placees (who and whose ultimate beneficial owners will be Independent Third Parties) to purchase 68,000,000 Placing Shares at the Placing Price of HK\$15.92 per Placing Share.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the number of 68,000,000 Placing Shares under the Placing represents approximately 20.00% of the number of existing issued H Shares and approximately 2.01% of the number of existing issued Shares as at the date of this announcement, and approximately 16.67% of the number of issued H Shares and approximately 1.97% of the number of issued Shares as enlarged by the allotment and issue of the Placing Shares.

The Sole Placing Agent will place the Placing Shares to investors that are Independent Third Parties. It is expected that the Placing Shares will be placed to not less than six Placees who shall be professional, institutional, or other investors that are, together with their respective ultimate beneficial owners, third parties independent of the Company and its connected persons.

The Placing Price of HK\$15.92 per Placing Share represents:

- (a) a discount of approximately 7.98% to the closing price of HK\$17.30 per H Share as quoted on the Hong Kong Stock Exchange on 17 September 2025, being the Last Trading Day; and
- (b) a discount of approximately 6.81% to the average closing price of HK\$17.08 per H Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to and including 17 September 2025.

Assuming all the Placing Shares are fully placed and subject to the Completion, it is expected that the gross proceeds and net proceeds (after deducting the Placing commission and other relevant costs and expenses of the Placing) from the Placing will be approximately HK\$1,082.56 million and HK\$1,074.84 million, respectively. On such basis, the net issue price will be approximately HK\$15.81 per Share. The Company intends to allocate the net proceeds of the Placing in the manner detailed in the paragraph headed "Reasons for and benefits of the Placing and use of proceeds" in this announcement.

No Shareholders' approval is required for the Placing and the allotment and issue of the Placing Shares by the Company, as the Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Board by special resolution of the Shareholders passed at the EGM held on 14 March 2025, under which the Board may issue up to 555,496,424 A Shares and 68,000,000 H Shares (representing each of 20% of the issued A Shares and H Shares as at the date of the passing of the resolution at the EGM). As at the date of this announcement and immediately prior to the entering into of the Placing Agreement, the Company has issued 272,878,203 A Shares under the General Mandate as disclosed in the announcements of the Company dated 4 April 2023, 20 April 2023, 28 July 2023, 28 March 2024, 19 April 2024, 25 November 2024 and 17 April 2025. Save as disclosed above, the Company has not issued any A Shares or H Shares under the General Mandate as at the date of this announcement and immediately prior to the entering into of the Placing Agreement.

An application will be made by the Company to the Hong Kong Stock Exchange for the listing of, and the permission to deal in, the Placing Shares on the Hong Kong Stock Exchange.

As the Placing is on a best effort basis, and the Completion is subject to the Placing Agreement not being terminated, and the satisfaction (or waiver) of a number of conditions under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

On 18 September 2025 (before trading hours), the Company entered into the Placing Agreement with the Sole Placing Agent, pursuant to which the Sole Placing Agent has conditionally agreed, as the Company's sole placing agent, to procure, on a best effort basis, not less than six Placees (who and whose ultimate beneficial owners will be Independent Third Parties) to purchase 68,000,000 Placing Shares at the Placing Price of HK\$15.92 per Placing Share.

THE PLACING AGREEMENT

The principal terms of the Placing Agreement are set out below:

Date

18 September 2025 (before trading hours)

Parties to the Placing Agreement

- (1) The Company; and
- (2) The Sole Placing Agent

Sole Placing Agent

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Sole Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party.

Placees

It is expected that the Sole Placing Agent will procure not less than six Placees, who will be professional, institutional, or other investors, and who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons, on a best effort basis, to subscribe for the Placing Shares.

Number of Placing Shares

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the number of 68,000,000 Placing Shares under the Placing represents approximately 20.00% of the number of existing issued H Shares and approximately 2.01% of the number of existing issued Shares as at the date of this announcement, and approximately 16.67% of the number of issued H Shares and approximately 1.97% of the number of issued Shares as enlarged by the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$15.92 per Placing Share represents:

- (a) a discount of approximately 7.98% to the closing price of HK\$17.30 per H Share as quoted on the Hong Kong Stock Exchange on 17 September 2025, being the Last Trading Day; and
- (b) a discount of approximately 6.81% to the average closing price of HK\$17.08 per H Share as quoted on the Hong Kong Stock Exchange for the last five consecutive trading days up to and including 17 September 2025.

The Placing Price was determined with reference to the market conditions and the prevailing market price of the H Shares and was negotiated on an arm's length basis between the Company and the Sole Placing Agent. The Directors consider that the Placing Price and the terms and conditions of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Condition of the Placing

Completion of the Placing is conditional upon the fulfilment, or waiver (except for condition (a) below) by the Sole Placing Agent in its sole discretion, of the following conditions:

- (a) the Listing Committee granting approval for the listing of and permission to deal in the Placing Shares and such listing and permission not subsequently being revoked prior to the Completion;
- (b) all necessary approvals and clearances from all relevant PRC regulatory authorities in connection with the Placing having been obtained to the reasonable satisfaction of the Sole Placing Agent, such approvals and clearances not materially conflicting with or altering the terms of the Placing Agreement and not imposing any material adverse conditions on any party of the Placing Agreement;
- (c) before the Completion, there shall not have occurred:
 - (i) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or
 - (ii) any suspension or limitation of trading (a) in any of the Company's securities by the Hong Kong Stock Exchange or the Shanghai Stock Exchange or any other exchange or over the counter market on which the Company's securities are admitted or listed for trading, or (b) generally on the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
 - (iii) any outbreak or escalation of hostilities or other state of emergency or war or calamity or crisis or lock-down, act of terrorism, diseases or epidemics or pandemics including, but not limited to, Severe Acute Respiratory Syndromes (SARS), H1N1, H5N1 and COVID-19, the declaration by any Relevant Jurisdiction; or
 - (iv) any material disruption in commercial banking or securities settlement or clearance services in any Relevant Jurisdiction and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any Relevant Jurisdiction; or

- (v) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any Relevant Jurisdiction or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Sole Placing Agent, would make the Placing or the enforcement of contracts to subscribe for or purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (d) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Completion Date;
- (e) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Completion Date; and
- (f) the Sole Placing Agent having received on the Completion Date the relevant legal opinions and other documentation as set out in the Placing Agreement.

Completion

Conditional upon satisfaction or waiver of the conditions set out above, the Completion shall take place on the Completion Date.

Lock-up Undertakings by the Company

The Company undertakes to the Sole Placing Agent that it shall not, without the prior written consent of the Sole Placing Agent, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing Agreement and ending on the date which is 90 days after the Completion Date.

RANKING OF THE PLACING SHARES

The Placing Shares will rank, upon allotment and issue, *pari passu* in all respects with each other, among themselves and with the other H Shares in issue on the date of allotment and issue of the Placing Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

No Shareholders' approval is required for the Placing and the allotment and issue of the Placing Shares by the Company, as the Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Board by special resolution of the Shareholders passed at the EGM held on 14 March 2025, under which the Board may issue up to 555,496,424 A Shares and 68,000,000 H Shares (representing each of 20% of the issued A Shares and H Shares as at the date of the passing of the resolution at the EGM).

As at the date of this announcement and immediately prior to the entering into of the Placing Agreement, the Company has issued 272,878,203 A Shares under the General Mandate as disclosed in the announcements of the Company dated 4 April 2023, 20 April 2023, 28 July 2023, 28 March 2024, 19 April 2024, 25 November 2024 and 17 April 2025.

Save as disclosed above, the Company has not issued any A Shares or H Shares under the General Mandate as at the date of this announcement and immediately prior to the entering into of the Placing Agreement.

APPLICATION FOR LISTING OF THE PLACING SHARES

An application will be made by the Company to the Hong Kong Stock Exchange for the listing of, and the permission to deal in, the Placing Shares on the Hong Kong Stock Exchange.

The Placing is conditional upon, among other things, the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

CSRC Filings

The Company shall complete the CSRC Filings in connection with the Placing.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Company is a joint stock limited company established in the PRC, the A Shares of which are listed on the Shanghai Stock Exchange (SSE: 600875) and the H Shares of which are listed on the Hong Kong Stock Exchange (HKEX: 1072).

The Company operates in the equipment manufacturing industry and mainly focuses on providing high-end equipment and related services for energy production and utilisation, closely related to energy development.

The power generation equipment industry is currently undergoing a profound transformation driven by the “dual carbon” goals, with robust demand for renewable energy (wind power, photovoltaic, hydropower) and supporting equipment for new power systems (such as energy storage and smart grids). To maintain its leading position, the Company needs to continue making investments, and the funds raised through the Placing will provide financial support for its operational activities.

Assuming all the Placing Shares are fully placed and subject to the Completion, it is expected that the gross proceeds and net proceeds (after deducting the Placing commission and other relevant costs and expenses of the Placing) from the Placing will be approximately HK\$1,082.56 million and HK\$1,074.84 million, respectively. On such basis, the net issue price will be approximately HK\$15.81 per Share.

The Company intends to allocate the net proceeds of the Placing (after deducting the Placing commission and other relevant costs and expenses of the Placing) for general working capital, among which (i) approximately 50% of the net proceeds of the Placing, or approximately HK\$537.42 million for research and development injection; and (ii) approximately 50% of the net proceeds of the Placing, or approximately HK\$537.42 million for expanding the Company’s sales channels.

In view of the above, the Directors consider that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing and the Placing Price) are fair and reasonable and with reference to the prevailing market conditions. The Placing and the entering into of the Placing Agreement are in the interest of the Company and its Shareholders as a whole.

EFFECTS OF THE PLACING ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the Completion (assuming there is no change in the number of issued Shares from the date of this announcement up to the Completion Date):

Class of Shares	As of the date of this announcement		Immediately upon the Completion	
	Number of issued Shares	Approximate percentage in the issued share capital of the Company (%) ^(note)	Number of issued Shares	Approximate percentage in the issued share capital of the Company (%) ^(note)
A Shares				
Core connected persons	1,772,966,194	52.29	1,772,966,194	51.27
Other A Shareholders	1,277,394,132	37.68	1,277,394,132	36.94
Total number of A Shares	3,050,360,326	89.97	3,050,360,326	88.20
H Shares				
Core connected persons	858,800	0.03	858,800	0.02
Placees	–	–	68,000,000	1.97
Other H Shareholders	339,141,200	10.00	339,141,200	9.81
Total number of H Shares	340,000,000	10.03	408,000,000	11.80
Total	3,390,360,326	100.00	3,458,360,326	100.00

Note: The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY DURING THE PAST TWELVE MONTHS

On 14 April 2025, the Company completed the Issuance of A Shares to Specific Targets, which involves the issuance and allotment of 272,878,203 A Shares in total at an issue price of RMB15.11 per Share. The gross proceeds from the Issuance of A Shares to Specific Targets amounted to RMB4,123.19 million and the net proceeds amounted to RMB4,116.57 million after deduction of relevant issuance expenses of RMB6.62 million (excluding tax). As at 30 June 2025, approximately RMB2,539.43 million of the proceeds have been utilised, details of which are set out below:

Use of proceed	Planned use of net proceeds (RMB million)	Utilised net proceeds (as at 30 June 2025) (RMB million)	Unutilised net proceeds (as at 30 June 2025) (RMB million)	Expected timeline for utilising the remaining balance of net proceeds
A. Acquisition of equity interests in subsidiaries				
1. Acquisition of 8.14% equity interests in Dongfang Electric Machinery from DEC Group	735.42	735.42	–	N/A
2. Acquisition of 8.70% equity interests in Dongfang Turbine from DEC Group	1,133.41	1,133.41	–	N/A
3. Acquisition of 4.55% equity interests in Dongfang Boiler from DEC Group	486.46	486.46	–	N/A
4. Acquisition of 5.63% equity interests in Dongfang Heavy Machinery from DEC Group	171.23	171.23	–	N/A

Use of proceed	Planned use of net proceeds (RMB million)	Utilised net proceeds (as at 30 June 2025) (RMB million)	Unutilised net proceeds (as at 30 June 2025) (RMB million)	Expected timeline for utilising the remaining balance of net proceeds
B. Construction projects				
5. Pumped storage manufacturing manufacturing capability enhancement project of Dongfang Electric Machinery	289.28	– <i>(note)</i>	289.28 <i>(note)</i>	By 31 March 2026
6. Gas turbine rotor processing and manufacturing capability enhancement project of Dongfang Turbine	54.64	– <i>(note)</i>	54.64 <i>(note)</i>	N/A
7. Digital workshop construction project of Dongfang Turbine	263.56	– <i>(note)</i>	263.56 <i>(note)</i>	N/A
8. Digital construction project of Dongfang Boiler	160.71	– <i>(note)</i>	160.71 <i>(note)</i>	By 31 December 2025
C. Replenishment of working capital				
9. Replenishment of working capital	821.86	12.92	808.94	N/A
Total	4,116.57	2,539.43	1,577.14	

Note: The proceeds for the construction projects were transferred from the Company's dedicated account for receiving the proceeds from Issuance of A Shares to Specific Targets to the accounts of each subsidiary on 30 June 2025 and 1 July 2025. As at 30 June 2025, the subsidiaries had not yet completed the replacement of the proceeds with its own funds that had previously utilised in the projects. Therefore, the utilised net proceeds for the construction projects were nil. For further details, please refer to the announcement published by the Company on the website of the Shanghai Stock Exchange on 29 August 2025.

Save as disclosed above, the Company has not conducted any fund raising activities in the 12 months immediately preceding the date of this announcement.

As the Placing is on a best effort basis, and the Completion is subject to the Placing Agreement not being terminated, and the satisfaction (or waiver) of a number of conditions under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“A Share(s)”	the domestic ordinary shares of the Company with a nominal value of RMB1.00 each, which are subscribed for and/or credited as fully paid up in RMB by the PRC nationals and/or the PRC corporate entities and listed and traded on the Shanghai Stock Exchange
“A Shareholder(s)”	holder(s) of A Share(s)
“Board”	the board of Directors of the Company
“Company”	Dongfang Electric Corporation Limited
“Completion”	the completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement
“Completion Date”	25 September 2025, or at such other time and/or date as the Company and the Sole Placing Agent agree in writing
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“CSRC Filings”	the CSRC Filing Report (including any amendments, supplements and/or modifications thereof) and any relevant supporting materials
“CSRC Filing Report”	the filing report in relation to the Placing and any transactions contemplated by the Placing Agreement to be filed with the CSRC
“Director(s)”	the director(s) of the Company
“EGM”	the 2025 first extraordinary general meeting of the Company held on 14 March 2025

“General Mandate”	the general mandate granted by the special resolution passed at the EGM to the Board to issue up to 555,496,424 A Shares and 68,000,000 H Shares (representing each of 20% of the issued A Shares and H Shares as at the date of the passing of the resolution at the EGM)
“Group”	the Company and its subsidiaries
“H Share(s)”	foreign-invested ordinary 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 Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with the Company and any of the connected persons of the Company
“Issuance of A Shares to Specific Targets”	the issuance of 272,878,203 A Shares to specific targets which was completed on 14 April 2025
“Last Trading Day”	17 September 2025, being the last trading day prior to the signing of the Placing Agreement
“Listing Committee”	the listing committee of the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Placees”	any professional, institutional, or other investors, and who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons, and whom the Sole Placing Agent has procured, on a best effort basis, to subscribe for the Placing Shares
“Placing”	the placing of the Placing Shares by or on behalf of Sole Placing Agent on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Sole Placing Agent dated 18 September 2025 in relation to the Placing under the General Mandate
“Placing Price”	the price of HK\$15.92 per Placing Share
“Placing Share(s)”	68,000,000 new H Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement which will rank pari passu in all respects with the H Shares in issue and together with all rights attaching to as at the date of issue of the Placing Shares
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Relevant Jurisdiction(s)”	Hong Kong, the PRC, the United States, the United Kingdom and any other member of the European Economic Area or any other jurisdictions relevant to the Group or the Placing
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary shares of the Company, including A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Sole Placing Agent”	CLSA Limited

“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“trading day”	means a day on which the Hong Kong Stock Exchange is open for the trading of securities
“%”	per cent

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

Chengdu, Sichuan Province, the PRC
18 September 2025

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

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

Directors: *Zhang Yanjun and Sun Guojun*

Independent non-executive Directors: *Huang Feng, Zeng Daorong and Chen Yu*