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**東方電氣股份有限公司**

**Dongfang Electric Corporation Limited**

*(A joint stock limited company incorporated in the People's Republic of China)*

(Stock Code: 1072)

## **ANNOUNCEMENT IN RELATION TO PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS**

Reference is made to the announcements dated 30 October 2013, 1 November 2013, 16 December 2013 and 4 June 2014, the circular dated 3 December 2013, the announcement of poll results on the 2013 first extraordinary general meeting, the 2013 first A shares class meeting and the 2013 first H shares class meeting dated 19 December 2013 and the announcement regarding the acquisition of approval from the CSRC for the public issuance of convertible corporate bonds dated 1 July 2014 (“**Previous Disclosures**”) issued by Dongfang Electric Corporation Limited (the “**Company**”), which contain relevant details in relation to the issuance of A share convertible corporate bonds. Unless otherwise defined herein, terms used in this announcement shall have the same meanings as defined in the Previous Disclosures.

With the approval of the CSRC, the Company shall issue a total of 40,000,000 A share convertible corporate bonds with a nominal value of RMB100 each (the “**Dongfang Convertible Bonds**”), amounting to RMB4 billion in aggregate. The Dongfang Convertible Bonds will be issued at nominal value. The Dongfang Convertible Bonds have a term of six years from the date of the issuance, which commences from 10 July 2014 and ends on 10 July 2020 and will bear a coupon rate of 0.5% in the first year, 0.8% in the second year, 0.8% in the third year, 1.4% in the fourth year, 2.0% in the fifth year and 2.0% in the sixth year. The Dongfang Convertible Bonds adopt payment of interest annually as its interest payment method; interest accruing from the first date of issuance of the Dongfang

Convertible Bonds (i.e. 10 July 2014). The initial conversion price of the Dongfang Convertible Bonds shall be RMB12 per A Share and the conversion period will commence on the first trading day immediately following the expiry of six months after the date of the completion of the issuance of the Dongfang Convertible Bonds and ends on the maturity date of the Dongfang Convertible Bonds (i.e. from the first trading day immediately following 10 January 2015 to 10 July 2020). Within five trading days upon the maturity of the Dongfang Convertible Bonds, the Company will redeem all outstanding Dongfang Convertible Bonds which have not been converted from investors at a price of 105% (including the interest for the last year) of the nominal value of the Dongfang Convertible Bonds issued hereunder.

The Company has appointed CITIC Securities Co., Ltd. as the sponsor, and CITIC Securities Co., Ltd., Credit Suisse Founder Securities Limited and J.P. Morgan First Capital Securities Co., Ltd. as the joint lead underwriters. The sponsor fee and underwriting commission will be determined in accordance with the terms and conditions of the sponsorship agreement and underwriting agreement, as well as the results of the issuance of the Dongfang Convertible Bonds. To the best of the Company's knowledge, information and belief, having made all reasonable enquiries, each of the joint lead underwriters is a third party independent of and not connected with the Company or its connected person as defined under the Listing Rules.

Given that all the existing A Shareholders of the Company are entitled to participate in and subscribe for the Dongfang Convertible Bonds and there is no preferential treatment to be given to any of the shareholders by virtue of them being connected persons of the Company, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted a waiver from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules on 30 October 2013.

The remaining portion of the preferential issuance of the Dongfang Convertible Bonds to the existing A Shareholders and those which have been given up by the existing A Shareholders will be subscribed through the combination of offline placement to institutional investors and online issuance through the online pricing system of Shanghai Stock Exchange (i.e. offline placement: pro rata allocation; online issuance: allocation by way of ballot). If it is still undersubscribed, the shortfall will be underwritten by the joint lead underwriters.

For information on the detailed terms and arrangement relating to the issuance of the Dongfang Convertible Bonds please refer to the “Announcement in relation to Public Issuance of A Share Convertible Corporate Bonds”, “Announcement of the Online Roadshow in relation to Public Issuance of A Share Convertible Corporate Bonds”, “Prospectus in relation to Public Issuance of Convertible Corporate Bonds” and “Summary of the Prospectus in relation to Public Issuance of Convertible Corporate Bonds” published on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the corresponding overseas regulatory announcements published by the Company on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on the date of this announcement.

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

Chengdu, Sichuan Province, the PRC

7 July 2014

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

*Directors:* *Si Zefu, Zhang Xiaolun, Wen Shugang, Huang Wei, Zhu Yuanchao and Zhang Jilie*

*Independent Non-executive Directors:* *Li Yanmeng, Zhao Chunjun and Peng Shaobing*