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ANNOUNCEMENT PROPOSED ISSUE OF A SHARE CONVERTIBLE BONDS

On 30 October 2013, the Board resolved, among other things, to seek the Shareholders' approval for the proposed issue of A Share Convertible Bonds.

The proposed issue of A Share Convertible Bonds is subject to the Shareholders' approval at the EGM and the Class Meetings.

A circular containing, among other things, details of the proposed issue of A Share Convertible Bonds, the feasibility analysis report on the use of proceeds from the issue of A Share Convertible Bonds, the report on the use of proceeds from last issue of securities of the Company, together with the notice of the EGM and the H Shares Class Meeting, will be despatched to the H Shareholders as soon as practicable.

1. PROPOSED ISSUE OF A SHARE CONVERTIBLE BONDS

The Board announced that, at the tenth meeting of the seventh session of the Board held on 30 October 2013, the proposed issue of A Share Convertible Bonds has been duly passed. Under the relevant PRC laws and regulations, the proposed issue of A Share Convertible Bonds is further subject to, among other matters, (i) the passing of special resolutions by the Shareholders at the EGM to approve the proposed issue of A Share Convertible Bonds; (ii) the passing of special resolutions by A Shareholders and H Shareholders at their respective Class Meetings to approve the proposed issue of A Share Convertible Bonds; and (iii) approvals of the CSRC and other relevant PRC authorities.

In accordance with the relevant provisions of the PRC Company Law, the Securities Law of the PRC, the Administrative Measures for the Issue of Securities by Listed Companies and with reference to the actual conditions of the Company based upon internal review, the Board has confirmed that the Company has satisfied the criteria for the issue of convertible bonds in the PRC. The Board considered and approved the proposed issue of A Share Convertible Bonds with details as follows:

1.1 Type of securities to be issued

The type of the securities to be issued by the Company is convertible corporate bonds which can be converted into A Shares of the Company. Such convertible corporate bonds and A Shares to be converted into will be listed on the Shanghai Stock Exchange.

1.2 Issue size

Pursuant to relevant laws, regulations and the actual conditions of the Company, the issue of A Share Convertible Bonds will be in an amount of not more than RMB4 billion. The actual size of the issue will be determined by the Board as authorized by the Shareholders at the EGM within such scope.

1.3 Nominal value and issue price

A Share Convertible Bonds will be issued at par with a nominal value of RMB100 each.

1.4 Term

Pursuant to relevant laws, regulations and the implementation arrangement of proposed investment projects from proceeds raised from the convertible corporate bonds, and taking the issue size and the future operation and financial conditions of the Company into account, the term of A Share Convertible Bonds will be six years from the date of issue.

1.5 Interest rate

The interest rate of A Share Convertible Bonds will be not more than 2.0%. The actual annual interest rate will be determined by the Board as authorized by the Shareholders at the EGM with reference to the PRC government policies, market conditions and the actual conditions of the Company and in consultation with the sponsor and the lead underwriter.

In the event the RMB benchmark rate for deposit is adjusted upward before the completion of the issue of A Share Convertible Bonds, the Board as authorized by the Shareholders at the EGM will make corresponding adjustment to the coupon rate.

1.6 Timing and method of interest payment

I. Calculation of annual interest

Annual interest means the interest to be paid to the CB Holders on each anniversary of the date of issue of A Share Convertible Bonds based on the aggregate nominal value of A Share Convertible Bonds, accrued from the date of issue.

The formula of calculating annual interest: $I = B \times i$

I: means annual interest;

B: means total nominal value of A Share Convertible Bonds held by the CB Holders; and

i: means coupon rate of A Share Convertible Bonds at the relevant year.

II. Method of interest payment

- ① Interest of A Share Convertible Bonds will be accrued from the date of issue and paid once a year.
- ② Interest payment date: Interest will be paid on each anniversary of the date of issue of A Share Convertible Bonds. For the purpose of interest payment, a year means each period between two successive interest payment dates.

- ③ Interest record date: An interest record date is the trading day immediately prior to the interest payment date each year and the Company will pay interest within 5 trading days following the interest payment date each year. The Company will not pay interest for A Share Convertible Bonds which have been applied to be converted into A Shares on or before the relevant interest record dates.
- ④ The CB Holders shall bear the taxes payable on interest income.

1.7 Conversion period

The conversion period starts from the trading day immediately following the expiry of six months after the date of issue of A Share Convertible Bonds until the maturity date.

1.8 Determination and adjustment of conversion price

I. Basis for determining the initial conversion price

The initial conversion price of A Share Convertible Bonds shall not be lower than: (i) the average trading price of A Shares within 20 trading days preceding the date of publication of the Offering Document (in the event that during such 20 trading days, the share price has been adjusted due to ex-rights or ex-dividend, the closing price of each of these trading days shall be adjusted with reference to the share price after ex-rights or ex-dividend); and (ii) the average trading price of A Shares on the trading day preceding the date of publication of the Offering Document. The actual initial conversion price will be determined by the Board as authorized by the Shareholders at the EGM prior to the issue of A Share Convertible Bonds with reference to the market conditions and in consultation with the sponsor and the lead underwriter.

The average trading price of A Shares within 20 trading days preceding the date of publication of the Offering Document means the total trading amount of A Shares within 20 trading days preceding the date of publication of the Offering Document / the total trading volume of A Shares within 20 trading days preceding the date of publication of the Offering Document; and

The average trading price of A Shares on the trading day preceding the date of publication of the Offering Document means the total trading amount of A Shares on the trading day preceding the date of publication of the Offering Document / the total trading volume of A Shares on the trading day preceding the date of publication of the Offering Document.

II. Adjustments to initial conversion price

The conversion price is subject to adjustment, upon the occurrence of certain prescribed events which affect the share capital of the Company, including but not limited to scrip dividend, capitalization issue, issue of new shares, rights issue or cash dividend payment. The initial conversion price will be adjusted based on the following formulas:

Scrip dividend or capitalization issue: $P1 = P0 / (1 + n)$;

Issue of new Shares or rights issue: $P1 = (P0 + A \times k) / (1 + k)$;

The two above occurring concurrently: $P1 = (P0 + A \times k) / (1 + n + k)$;

Distribution of cash dividend: $P1 = P0 - D$;

The three above occurring concurrently: $P1 = (P0 - D + A \times k) / (1 + n + k)$.

P0: means initial conversion price;

n: means scrip dividend rate or capitalization issue rate;

k: means new share issue rate or rights issue rate;

A: means price of new share issue or rights issue;

D: means cash dividend per share; and

P1: means conversion price after adjustment.

Where the abovementioned changes in shareholding and/or shareholder's interests occur, the conversion price will be adjusted accordingly. The adjustment to the conversion price, having been resolved by the Board, will be published in the form of an announcement on the media designated by the CSRC for information disclosure of listed companies. The announcement will indicate the date of adjustment to the conversion price, adjustment method and suspension period of share conversion (if required). An announcement will also be published (if required) on the website of the Stock Exchange if it is required by the Listing Rules and the Articles of Association. If the conversion price adjustment date is on or after the CB Holder's application for conversion, and before the share registration date, then such conversion will be based on the adjusted conversion price.

In the event that the rights and benefits of the CB Holders derived from share conversion rights are affected by the change in the Company's share class, quantity and/or shareholders' interest due to the possible share repurchase, consolidation, separation or any other action which may be taken by the Company, the Company will adjust the conversion price based on the principles of fairness, justice, equality and protection of the CB Holders' rights. The conversion price will be adjusted based on relevant PRC laws and regulations and relevant provisions of the PRC securities regulatory authorities.

1.9 Downward adjustment to conversion price

I. Adjustment magnitude and rights

If, during the term of A Share Convertible Bonds, the closing prices of A Shares in any 10 trading days out of any 20 consecutive trading days are lower than 90% of the prevailing conversion price, the Board may propose any downward adjustments for the Shareholders to consider and seek their approval at a general meeting, A Shares Class Meeting and H Shares Class Meeting.

The above-mentioned proposal is subject to approval of the Shareholders at the general meeting, the A Shares Class Meeting and the H Shares Class Meeting as a special resolution in accordance with the Article of Associations. The CB Holders shall abstain from voting. The adjusted conversion price shall be not less than (i) the higher of the average trading price of A Shares for the 20 trading days prior to the said general meeting, the A Shares Class Meeting and the H Shares Class Meeting and the average trading price of A Shares on the day immediately before the said general meeting, the A Shares Class Meeting and the H Shares Class Meeting, (ii) the net asset value per Share based on the latest audited financial statement, and (iii) the nominal value per Share.

In the event that another adjustment of conversion price has been implemented in the aforementioned 20 trading days, the conversion price will be calculated based on the date prior to and after the adjustment, in accordance with the adjusted conversion price and closing price.

II. Procedures of adjustment to conversion price

If the Company decides to make a downward adjustment to the conversion price, the Company will publish an announcement in the print media and the website designated by the CSRC for information disclosure, which will cover the magnitude of the adjustment, the registration date and the suspension period of share conversion. An announcement will also be published (if required) on the website of the Stock Exchange if it is required by the Listing Rules and the Articles of Association. Share conversion will be restored for application based on the revised conversion price on the trading date after the registration date (i.e. the effective date of the adjustment to the conversion price). If the adjustment date is on or after the share conversion application date, the share conversion application shall be executed based on the price after the adjustment before the registration date.

1.10 Conversion method of A Shares

Where a CB Holder applies to convert A Share Convertible Bonds held by him/her/it during the conversion period, the number of A Shares to be issued upon conversion based on the following formulas:

$$Q = V/P$$

Any fractional Share shall be rounded down to the nearest whole number.

V: means aggregate nominal value of A Share Convertible Bonds in respect of which the CB Holders apply for conversion; and

P: means prevailing conversion price of A Share Convertible Bonds as at the date of application for conversion.

The number of A Shares to be requested by the CB Holders for conversion shall be in whole number. The remaining balance of the fractional A Shares will be paid by the Company to the CB Holders at par with accrued interest in cash within the 5 trading days after the date of conversion in accordance to relevant regulations of the Shanghai Stock Exchange and other regulatory authorities.

1.11 Terms of redemption

I. Terms of redemption at maturity

Within 5 trading days after the maturity of A Share Convertible Bonds, the Company will redeem all A Share Convertible Bonds which have not been converted into A Shares at a certain ascent ratio of the nominal value (including the final term of interest). The Board as authorized by the Shareholders at the EGM shall determine the specific ascent ratio with reference to market conditions.

II. Terms of conditional redemption

During the term of A Share Convertible Bonds, if the closing price of A Shares is equal to or not lower than 130% of the conversion price in at least 15 trading days out of any 30 consecutive trading days or if the outstanding balance of unconverted A Share Convertible Bonds is below RMB30 million, the Company has the right to redeem all or part of A Share Convertible Bonds based on the nominal value plus the accrued interest. In the event that any adjustment of share conversion price has been implemented in the aforementioned trading days, the conversion price will be calculated based on the date prior to and after the adjustment, in accordance with the adjusted conversion price and closing price.

Formula for calculating current accrued interest: $IA = B \times i \times t / 365$

IA: means accrued interest for the current period;

B: means aggregate nominal value of A Share Convertible Bonds held by the CB Holders;

i: means coupon rate of A Share Convertible Bonds for the current year;
and

t: means number of days of interest accrued, i.e. actual calendar days from the last interest payment date to the redemption date (excluding the redemption date).

1.12 Terms of sale back

I. Conditional sale back

Starting from the last two interest accrual year of A Share Convertible Bonds, if the closing prices of A Shares in 30 consecutive trading days are lower than 70% of the prevailing conversion price, the CB Holders shall have the right to sell back to the Company all or part of A Share Convertible Bonds at 103% of the nominal value of A Share Convertible Bonds plus the interest accrued. In the event that any adjustment of share conversion price has been implemented in the aforementioned trading days, the conversion price will be calculated based on the date prior to and after the adjustment, in accordance with the adjusted conversion price and closing price.

II. Additional sale back

During the conversion period of A Share Convertible Bonds issued hereunder, if the actual use of the proceeds from the issue of A Share Convertible Bonds by the Company differs materially from the description of the use of proceeds set out by the Company in the Offering Document, and such changes, according to the relevant provisions of the CSRC, could be deemed as a change in the use of proceeds or is considered by the CSRC as a deviation in the use of proceeds, the CB Holders will be entitled to sell all or part of A Share Convertible Bonds held by them back to the Company at the price equal to 103% of the nominal value of A Share Convertible Bonds plus the interest accrued. If the CB Holders do not exercise their sale back rights during the sale back declaration period, such rights to sell back A Share Convertible Bonds shall automatically lapse.

1.13 Dividend rights of the year of conversion

The new A Shares to be issued upon the conversion of A Share Convertible Bonds shall rank pari passu with all existing A Shares. All A Shareholders whose names appear on the register of the members of the Company on the record date for dividend entitlement are entitled to receive dividend for that year.

1.14 Method of issue and target subscribers

The method of the proposed issue of A Share Convertible Bonds will be determined by the Board as authorized by the Shareholders at the EGM (or person authorized by the Board), and the sponsor and the lead underwriter. The target subscribers are natural persons, legal persons, securities investment funds and other investors that are in compliance with the laws, who have maintained securities accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, except for those prohibited by the PRC laws and regulations.

1.15 Subscription arrangement for existing A Shareholders

The existing A Shareholders shall have the pre-emptive rights to subscribe for A Share Convertible Bonds to be issued in proportion to their shareholdings. The actual amount to be preferentially allocated to the existing A Shareholders shall be determined by the Board as authorized by the Shareholders at the EGM with reference to the market conditions and shall be disclosed in the Offering Document.

The A Share Convertible Bonds not subject to the pre-emptive rights and the pre-emptive rights for which has not been exercised by any existing A Shareholders will be offered to the public by online subscription through the Shanghai Stock Exchange and offline placement, and the balance would be underwritten by the underwriting syndicate.

1.16 The CB Holders and the CB Holders' meetings

I. Rights and obligations of the CB Holders

A. Rights of the CB Holders

- ① right to receive interest accrued on A Share Convertible Bonds the CB Holders hold;
- ② right to convert A Share Convertible Bonds the CB Holders hold to A Shares on the terms of A Share Convertible Bonds;

- ③ right to exercise the sale back rights on the terms of A Share Convertible Bonds;
- ④ right to transfer, bestow or pledge A Share Convertible Bonds the CB Holders hold in accordance with the laws and regulations and the Articles of Association;
- ⑤

II. Meetings of the CB Holders

A. Circumstances under which the CB Holders' meeting shall be convened

A CB Holders' meeting shall be convened by the Board upon the occurrence of any of the following circumstances:

- ① proposal for changes of terms of the Offering Document;
- ② the Company's default in paying principal and interests of A Share Convertible Bonds on time;
- ③ reduction of the Company's capital, merger, separation, dissolution or filing for liquidation of the Company;
- ④ material changes in the CB guarantor or collateral;
- ⑤ amendments to the rules of A Share Convertible Bonds;
- ⑥ other matters which may significantly affect the material interests of the CB Holders; and
- ⑦ other matters that should be considered and determined at the meetings of the CB Holders in accordance with the provisions of the laws, administrative regulations, the CSRC, the stock exchange on which A Share Convertible Bonds are to be listed for trading, and the rules of A Share Convertible Bonds.

The following institutions or individuals may propose the convening of the CB Holders' meeting:

- ① the Board;
- ② the CB Holders who hold 10% or more of the total nominal value of the outstanding A Share Convertible Bonds by written proposal; and
- ③ other institutions or individuals stipulated by laws, regulations and the CSRC.

B. Convening of the CB Holders' meeting

- ① the CB Holders' meeting shall be convened and hosted by the Board;
and
- ② the CB Holders' meeting shall be convened by the Board within 30 days after the proposal of the meeting has been raised or received by the Board. The Board shall publish a notice in at least one designated newspaper and a website 15 days prior to the meeting of the CB Holders, which specifies the time and date, place, contents and methods as confirmed by the Board.

C. Participants of the CB Holders' meeting

The record date of CB Holders' meeting is the fifth trading date preceding the convening date of the CB Holders' meeting. The CB Holder whose name appears in the depository register of other institutions of the Shanghai Branch of China Securities Depository and Clearing Corporation Limited or under applicable laws at the close of the record date is a CB Holder who is entitled to attend the CB Holders' meeting and execute voting right.

The following institutions or persons may participate in the CB Holders' meeting and submit proposal for consideration, but do not have voting rights:

- ① the issuer of A Share Convertible Bonds; and
- ② other key connected parties.

The Board shall appoint lawyers to attend the CB Holders' meeting, issue legal opinion in relation to the calling, convening, voting procedure and qualifications of the participants of the CB Holders' meeting.

D. Procedures of the CB Holders' meeting

- ① the chairperson of the CB Holders' meeting shall firstly announce the rules of procedure of the meeting, nominate and announce a controller of ballot and read out the proposals. Votes will be cast after discussion of proposals and the resolution will be effective upon witness by the attorneys;
- ② a CB Holders' meeting shall be presided over by the Chairman of the Company. In the absence of the Chairman, the meeting shall be presided over by a director authorized by the Chairman; if neither the Chairman nor the director authorized by the Chairman is able to preside over the meeting, the meeting shall be presided over by a the CB Holder elected by CB Holders representing at least 50% (exclusive of 50%) of par value of A Share Convertible Bonds present at the meeting; and
- ③ the convener of the CB Holders' meeting shall prepare a signature book for attendees, which shall indicate the name (or unit name), identity card number and residential address, of the attendees, the par value of A Share Convertible Bonds held or represented by the attendees and the name of their proxies (or unit name).

E. Voting and resolution of the CB Holders' meeting

- ① the voting method is one vote per certificate of A Share Convertible Bond;
- ② the CB Holders shall vote by open ballot in the CB Holders' meeting;
- ③ a resolution of the CB Holders' meeting shall be valid upon the affirmative votes of the CB Holders representing at least two-third of par value of A Share Convertible Bonds present at the meeting;
- ④ different proposals or different items contained in one proposal shall be discussed and voted separately in the CB Holders' meeting;

- ⑤ a resolution of the CB Holders' meeting shall be valid after it is resolved at the CB Holders' meeting, provided that, if the approval of the CSRC or other competent authorities is required, it shall become effective on the date of approval or other date confirmed by such approval;
- ⑥ unless expressly agreed that special compensation shall be made to the CB Holders voting against the resolution or failing to attend the meeting, a resolution shall have equal effect on all CB Holders; and
- ⑦ after a resolution is passed by the CB Holders' meeting, the Board shall notify the CB Holders by announcement and implement such resolution.

1.17 Use of proceeds from the proposed issue of A Share Convertible Bonds

The total amount of proceeds from the proposed issue of A Share Convertible Bonds do not exceed RMB4 billion and will be invested in the following projects after deducting expenses related to the issue:

No.	Project Name	Contract amount / Total investment	Amount of proceeds to be invested <i>(RMB100 million)</i>
(1)	Overseas EPC and BTG projects		
	1 Coastal thermal power EPC project in Vietnam	USD1,211 million	13.0
	2 Stanari thermal power EPC project in Bosnia and Herzegovina	USD424 million	8.0
	3 Singhtarai thermal power BTG project in India	USD410 million	7.2
(2)	Research and development capacity promotion projects		
	1 Independent research project of 600MW supercritical circulating fluidized bed boilers	RMB337 million	1.8
	2 Experimental and research and development capabilities promotion and transformation project (Phase I)	RMB580 million	3.3
	3 Experimental and research and development capabilities improvement project of Dongfang Electrical Machinery	RMB206 million	1.6
	4 Gas turbine research and development capability promotion project (Phase I)	RMB780 million	5.1
Total			40

If the net proceeds from the proposed issue of A Share Convertible Bonds are less than the total amount of proceeds invested in the aforementioned projects, the insufficient part should be complemented with the self-raised funds of the Company. In case of consistency between the time of proceeds available for use and the construction progress, the Company may, based on the actual situation, first use other funds to invest in the projects and then replace the funds invested with the proceeds.

1.18 Guarantee

There is no guarantee in relation to the proposed issue of A Share Convertible Bonds.

1.19 Account for deposit of proceeds

The proceeds from the proposed issue of A Share Convertible Bonds must be deposited in the account designated by the Board. The specific account opening matters will be determined by the Board prior to the issue and the Company will publish an announcement to disclose the information on opening the account.

1.20 Validity period of the resolutions in relation to the proposed issue of A Share Convertible Bonds

The resolutions in relation to the proposed issue of A Share Convertible Bonds will be valid for 24 months from the date of the passing of the relevant resolutions at the EGM and the Class Meetings.

1.21 Matters relating to authorisation in relation to the proposed issue of A Share Convertible Bonds

To ensure smooth implementation of the proposed issue of A Share Convertible Bonds by the Company, it will be proposed at the EGM to authorize the Board to handle matters regarding the proposed issue of A Share Convertible Bonds, including but not limited to:

- ① to the extent permitted under the laws, regulations, and in compliance with the requirements of the securities regulatory authorities and the stock exchange on which the Shares are listed, granting the Board the authorization to appropriately adjust and supplement the terms of the proposed issue of A Share Convertible Bonds, prior to the issue formulate the issue terms and the issue plan, establish and implement the definitive issue plan, including but not limited to determining the issue size, the method of issue, the target subscribers, the interest rate, initial conversion price, adjustment to conversion price of A Share Convertible Bonds, the terms of redemption, the right to convene the CB Holders' meetings, the procedures for convening the CB Holders' meetings and the terms to effect the resolutions, the timing for the issue, the establishment and opening of an account for deposit of proceeds, the execution of a three party regulatory agreement in relation to the account for deposit of proceeds and all other matters in connection with the proposed issue of A Share Convertible Bonds by taking into consideration the circumstances of the Company;
- ② granting the Board the authorization to engage agents to deal with filing matters relating to the proposed issue of A Share Convertible Bonds; prepare, amend and submit the filing materials relating to the proposed issue of A Share Convertible Bonds in accordance with the requirements of the securities regulatory authorities; prepare replies to comments of the securities regulatory authorities;
- ③ granting the Board and the authorized representative the authorization to amend, supplement, execute, submit, file and implement all agreements, contracts and other important documents contemplated under the proposed issue of A Share Convertible Bonds, and deal with any other matters in connection therewith;

- ④ granting the Board and the authorized representative the authorization to adjust or determine the arrangement regarding the use of the proceeds to ensure that it is in line with the progress of the project to be invested with the proceeds as well as the actual demand of the funds, subject to the scope of investment as approved at the general meeting of the Shareholders; granting the Board and the authorized representative the authorization to allow the Company to initiate the financing arrangement either with self-raised funds or self-owned funds for the project to be invested with the proceeds before the proceeds are available for use according to the progress and needs of the project operation, and to replace the refinancing capital consumed by the project as decided by the Board with the proceeds when they are ready; and granting the Board the authorization to make necessary adjustment to the project to be invested with the proceeds according to the applicable laws, regulatory requirements and the market conditions;
- ⑤ granting the Board and the authorized representative the authorization to amend, where necessary, the related provisions of the Articles of Association according to the circumstances of the offering and conversion of A Share Convertible Bonds, and conduct such matters as industrial and commercial registration, registration of the change in registered capital, listing of new A Shares upon conversion of A Shares Convertible Bonds;
- ⑥ where there is any change in the policies of the securities regulatory authority with respect to the proposed issue of A Share Convertible Bonds or any change in the market conditions prior to the issue, except for the matters requiring voting at the general meeting of the Shareholders under the applicable laws, regulations and the Articles of Association, granting the Board the authorization to make necessary adjustment to the issue plan pursuant to the requirements of the relevant PRC governmental authorities and regulatory authorities and the market conditions that prevail at the material time;
- ⑦ to authorize the Board to deal with all other matters in connection with the proposed issue of A Share Convertible Bonds; and

- ⑧ apart from the authorization given under paragraph ⑤ above which shall lapse within 1 month from the expiry of the term of A Share Convertible Bonds, all other authorizations in connection with the proposed issue of A Share Convertible Bonds shall be valid for 24 months from the date on which the resolutions are approved at the EGM and the Class Meetings.

2. IMPLICATIONS OF PROPOSED ISSUE OF A SHARE CONVERTIBLE BONDS UNDER THE PRC REGULATORY REQUIREMENTS

The proposed issue of A Share Convertible Bonds by the Company may lead to issue of new A Shares upon conversion of A Share Convertible Bonds. The exact number of A Shares to be issued as a result of the conversion of A Share Convertible Bonds is subject to various factors, including the conversion price of A Share Convertible Bonds. The Board recognizes that conversion of A Share Convertible Bonds into new A Shares will result in dilution of the interests of the existing A Shareholders in the share capital of the Company.

The Board announced that, at the tenth meeting of the seventh session of the Board held on 30 October 2013, the proposed issue of A Share Convertible Bonds has been duly passed. Under the relevant PRC laws and regulations, the proposed issue of A Share Convertible Bonds is further subject to, among other matters, (i) the passing of special resolutions by the Shareholders at the EGM to approve the proposed issue of A Share Convertible Bonds; (ii) the passing of special resolutions by A Shareholders and H Shareholders at their respective Class Meetings to approve the proposed issue of A Share Convertible Bonds; and (iii) approvals of the CSRC and other relevant PRC authorities.

3. IMPLICATIONS OF PROPOSED ISSUE OF A SHARE CONVERTIBLE BONDS UNDER HONG KONG REGULATORY REQUIREMENTS

Under the proposed issue of the A Share Convertible Bonds, A Share Convertible Bonds will be offered to all existing A Shareholders preferentially and to institutional and public investors that have A Shares stock trading accounts with the Shanghai Stock Exchange in the PRC, which may potentially include connected persons of the Company.

The proposed issue of A Share Convertible Bonds to connected persons of the Company, if any, will constitute connected transactions of the Company under Chapter 14A of the Listing Rules. In light of the above, the Company has applied for a waiver from strict compliance with the requirements under Chapter 14A of the Listing Rules.

4. EGM AND CLASS MEETINGS

The proposed issue of A Share Convertible Bonds are subject to approval of the Shareholders at the EGM and the Class Meetings.

4.1 Closure of Register of Members of the Company

For the purpose of ascertaining the H Shareholders who are entitled to attend and vote at the EGM and the H Share Class Meeting, the register of members of the Company will be closed from Tuesday, 19 November 2013 to Thursday, 19 December 2013 (both dates inclusive) during which period no transfers of H Shares will be effected. In order to qualify for the right to attend and vote at the EGM and the H Share Class Meeting, all transfer instruments accompanied by the relevant share certificates must be lodged by H Shareholders with the Company's registrar in respect of H Shares, namely, Hong Kong Registrars Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 18 November 2013.

4.2 Voting by Poll

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the EGM and/or the Class Meetings shall therefore demand voting on all resolutions set out in the notice of the EGM and/or the Class Meetings be taken by way of poll pursuant to Article 96 of the Articles of Association.

Every Shareholder present in person or by proxy or (being a corporation) by its duly authorized representative shall have one vote for each Share registered in his/her/its name in the register of members of the Company pursuant to Article 94 of the Articles of Association. A Shareholder entitled to more than one vote needs not cast all the votes he/she/it used in the same manner pursuant to Article 98 of the Articles of Association.

4.3 Circular and Notices of the EGM and the H Shares Class Meeting

A circular containing, among other things, details of the proposed issue of A Share Convertible Bonds, the feasibility analysis report on the use of proceeds from the issue of A Share Convertible Bonds, the report on the use of proceeds from last issue of securities of the Company, together with notice of the EGM and the H Shares Class Meeting, will be despatched to the H Shareholders as soon as practicable.

5. DEFINITIONS

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

“EGM”	the 2013 first extraordinary general meeting of the Company to be held at the conference room of the Company, No. 333 Shuhan Road, Chengdu City, Sichuan Province, the PRC at 1:30 p.m. on Thursday, 19 December 2013;
“A Share”	the domestic investment ordinary shares of the Company with a nominal value of RMB1.00 each, which are subscribed and or credited as fully paid up in RMB by the PRC nationals and/or the PRC corporate entities and traded and listed on the Shanghai Stock Exchange;
“A Share Convertible Bonds”	convertible corporate bonds in the total amount of not more than RMB4 billion which are convertible into new A Shares, proposed to be issued by the Company in the PRC;
“A Shareholder(s)”	holder(s) of A Shares;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Board”	the board of the Directors;

“CB Holder(s)”	holder(s) of A Share Convertible Bonds;
“CSRC”	China Securities Regulatory Commission of the PRC;
“Class Meetings”	the respective class meetings of A Shareholders and H Shareholders to be held at the conference room of the Company, No. 333, Shuhan Road, Chengdu City, Sichuan Province, the PRC at 2:00 p.m. and 2:30 p.m. respectively on Thursday, 19 December 2013 (or immediately after the conclusion or adjournment of the EGM);
“Company”	Dongfang Electric Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability whose H Shares are listed on the Main Board of the Stock Exchange and A Shares are listed on the Shanghai Stock Exchange;
“Company Law” or “PRC Company Law”	the Company Law of the PRC;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“H Shares”	foreign-investment ordinary shares of the Company with a nominal value of RMB1.00, which are listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars;
“H Shareholder(s)”	holder(s) of H Shares;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Offering Document”	the offering document in relation to the proposed issue of A Share Convertible Bonds;
“PRC”	The People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary shares in the capital of the Company with a nominal value of RMB1.00 each, comprising the A Shares and the H Shares;
“Shareholders”	the registered holders of the Shares; and
“%”	per cent.

By Order of the Board
Dongfang Electric Corporation Limited
Si Zefu
Chairman

Chengdu, Sichuan, the PRC
30 October 2013

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

<i>Directors:</i>	Si Zefu, Zhang Xiaolun, Wen Shugang, Huang Wei, Zhu Yuanchao and Zhang Jilie
<i>Independent non-executive Directors:</i>	Li Yanmeng, Zhao Chunjun and Peng Shaobing