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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 AND RESUMPTION OF TRADING

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Company and the members of the Board of Directors confirm the truthfulness, accuracy and completeness of the contents of this announcement and accept joint and several responsibility for any misrepresentation or misleading statement contained in or material omission from this announcement.

At the request of the Company, trading in the Company's H Shares on the Stock Exchange of Hong Kong Limited has been suspended at 9:49 a.m. on 13 May 2008 (Tuesday) pending publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the H shares of the Company with effect from 9:30 a.m. on 16 May 2008 (Friday).

IMPACT OF THE WENCHUAN EARTHQUAKE ON THE COMPANY

An earthquake with a magnitude of 7.8 on the Richter scale struck Wenchuan area of Sichuan Province on 12 May 2008. The urban areas of Chengdu and Deyang and Zigong City, where Dongfang Electric Corporation Limited (the "Company") and its subsidiaries are located, were affected. At the request of the Company, trading in the H shares of the Company on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") has been suspended at 9:49 a.m. on 13 May 2008 (Tuesday).

In the earthquake, the production facilities for the steam turbine operation of Dongfang Steam Turbine Co. Ltd., (a wholly-owned subsidiary of the Company) in Hanwang Town of Mianzhu, Sichuan Province were seriously damaged and there were casualties among the staff, which caused material disruption to the production and operation of the steam turbine business. However, the earthquake had little impact on other operations of the Company including hydro-electric turbine generator sets, steam power generators, power station boilers, wind power, nuclear power, engine generators and the relevant production facilities.

Since 14 May 2008, production and operation had been fully recovered in the Headquarters of the Company and Dongfang Boiler (Group) Company Limited. Meanwhile, production and operation in Dongfang Electrical Machinery Company Limited is recovering steadily.

For the year ended 31 December 2007, operating revenue generated from steam turbine operation of Dongfang Steam Turbine Co. Ltd. in Hanwang Town of Mianzhu, Sichuan Province accounted for 20% of the operating revenue of the Company.

RESUMPTION OF TRADING

An application has been made to the Stock Exchange for the resumption of trading in the H shares of the Company with effect from 9:30 a.m. on 16 May 2008 (Friday).

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

Sichuan, the PRC
15 May 2008

As at the date of this announcement, the Directors are:

- (1) Executive Directors: Si Zefu, Wen Shugang and Chen Xinyou;
- (2) Non-executive Directors: Zhang Xiaolun, Zhang Jilie and Li Hongdong;
- (3) Independent non-executive Directors: Chen Zhangwu, Zheng Peimin, and Xie Songlin.