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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)

**UPDATE ON PROGRESS OF INCREASING SHAREHOLDING
IN THE COMPANY BY THE CONTROLLING SHAREHOLDER**

Reference is made to the overseas regulatory announcement of Dongfang Electric Corporation Limited (the “**Company**”) dated 28 July 2015 (the “**Announcement**”) in relation to the process of increasing shareholding in the Company by the controlling shareholder. The full text of the English version of the Announcement is now provided for your reference only.

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

Chengdu, Sichuan, the PRC
29 July 2015

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: *Chen Zhangwu, Gu Dake and Xu Haihe*

DONGFANG ELECTRIC CORPORATION LIMITED

ANNOUNCEMENT ON PROGRESS OF INCREASING SHAREHOLDING IN THE COMPANY BY THE CONTROLLING SHAREHOLDER

The board of directors and all directors of the Company warrant that this announcement does not contain any false information, misleading statement or material omission and accept several and joint responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.

Dongfang Electric Corporation Limited (the “**Company**”) received a notice from Dongfang Electric Corporation (“**Dongfang Electric Corporation**”), the controlling shareholder of the Company, in relation to the proposal of increasing its shareholding in the Company on 28 July 2015. Details are announced as below:

Pursuant to the gist of the Notice on Increase in Shareholding in the Company by Substantial Shareholder, Directors, Supervisors and Senior Management of the Listed Company [Zheng Jian Fa (2015) No. 51] (《關於上市公司大股東及董事、監事、高級管理人員增持本公司股票相關事項的通知》[證監發(2015)51號]) issued by China Securities Regulatory Commission on 8 July 2015 and the Announcement on the Proposal of Increasing Shareholding in the Company by the Controlling Shareholder dated 8 July 2015 published by the Company, Dongfang Electric Corporation increased its shareholding by 108,400 shares in the Company on 20 July 2015 by way of directional assets management through securities companies (please refer to the announcement dated 21 July and numbered Lin 2015-030 for details).

Dongfang Electric Corporation has increased its shareholding in the Company for two consecutive days, i.e. 27 July and 28 July 2015 by way of directional assets management through securities companies. The number of such shares amounted to 1,525,000 shares and 2,036,000 shares respectively, totalling 3,561,000 shares, representing 0.15% of the shares of the Company in issue. Before the increase in shareholding in the Company, Dongfang Electric Corporation held 966,176,463 shares of the Company, representing 41.34% of the total share capital of the Company. In aggregate, the above shares amounted to 969,737,463 shares, representing 41.50% of the total share capital of the Company.

The Plan of Dongfang Electric Corporation to further increase its shareholding: Dongfang Electric Corporation proposes to increase its shareholding by no more than 2% of the shares of the Company in issue (including the shares already purchased) from the A share market within 12 months from the date of this announcement.

The Company will continue to pay attention to the relevant matters in relation to the increase in shareholding in the Company by the controlling shareholder and make announcements in a timely manner in accordance with relevant requirements.

Announcement is hereby given.

The board of directors of Dongfang Electric Corporation Limited
28 July 2015