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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)

**CONTEMPLATION OF MATERIAL MATTERS,
SUSPENSION OF TRADING OF A SHARES
AND
RESUMPTION OF TRADING OF H SHARES**

This announcement is made by Dongfang Electric Corporation Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

I. CONTEMPLATION OF MATERIAL MATTERS

On 8 December 2016, the Company received a notice from Dongfang Electric Corporation (“**DEC**”, the controlling shareholder of the Company), that DEC is contemplating material matters which may involve the Company’s issuance of its A shares for the acquisition of assets of DEC.

II. SUSPENSION OF TRADING OF A SHARES

As material matters contemplated by DEC consist of significant uncertainties, in order to ensure fair disclosure of information, safeguard of the interests of investors and avoid unusual movements in the price of the Company's shares, the Company has made an application for urgent suspension of trading of its A shares on 9 December 2016. Pursuant to the Business Guide for Suspension and Resumption of Trading for Planning of Material Matters of Listed Companies on the Shanghai Stock Exchange (《上海證券交易所上市公司籌劃重大事項停復牌業務指引》), the trading of A shares of the Company will remain suspended. The Company undertakes that it will announce the progress within five trading days commencing from the date (inclusive) of suspension of trading of A shares.

The designated media for disclosure of information in respect of the A shares of the Company are the Shanghai Securities Journal, the China Securities Journal and the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

III. RESUMPTION OF TRADING OF H SHARES

At the request of the Company, trading of the H shares of the Company listed on the Hong Kong Stock Exchange has been halted with effect from 9:00 a.m. on Friday, 9 December 2016 pending the release of this announcement. The Company has made an application to the Hong Kong Stock Exchange for the resumption of trading of the H shares of the Company with effect from 9:00 a.m. on Monday, 12 December 2016.

The material matters in contemplation may or may not proceed and if it proceeds, may be subject to shareholders' approval, regulatory approval and various conditions precedent. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

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

Chengdu, Sichuan, the People's Republic of China
9 December 2016

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

Directors: *Zou Lei, Zhang Xiaolun, Wen Shugang,
Huang Wei, Zhu Yuanchao and Zhang Jilie*

Independent Non-executive Directors: *Chen Zhangwu, Gu Dake and Xu Haihe*