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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
PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Hong Kong Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board hereby informs the Shareholders and potential investors that, based on a preliminary estimation of the consolidated management accounts of the Company, the Group is expected to record a decline of 50% to 70% in the net profit attributable to the Shareholders of the listed company for the year ended 31 December 2015 as compared with that for the same period last year. The net profit attributable to the Shareholders of the listed company for the same period last year of the Group amounted to RMB1,278,260,000.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

The board of directors (the “**Board**”) of the Company hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary estimation of the consolidated management accounts of the Company, the Group is expected to record a decline of 50% to 70% in the net profit attributable to the Shareholders of the listed company for the year ended 31 December 2015 as compared with that for the same period last year. The net profit attributable to the Shareholders of the listed company for the same period last year of the Group amounted to RMB1,278,260,000. Earnings per share was RMB0.64.

The Board is of the view that the estimated decrease in the results for the year ended 31 December 2015 is mainly due to the decrease in demand for power generation equipment in the market and the decline in product price caused by slowdown of macro-economy, resulting in the decrease in gross profit and the increase in provision for estimated contract loss of the Group.

The information contained in this announcement is only based on the information currently available to the Board and a preliminary evaluation of the consolidated management accounts of the Group for the year ended 31 December 2015, which have not been audited or reviewed by the Company's auditors. Details of the Group's financial information will be disclosed in the announcement of annual results of the Company for the year ended 31 December 2015, which is expected to be published by the end of March 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Chengdu, Sichuan, the PRC
29 January 2016

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*