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(Stock Code: 1072)

## **RESOLUTIONS IN RELATION TO THE PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

### **3. “THAT**

- (1) Article 191 of the Articles of Association be amended from:

“The Company may distribute dividends by way of cash or stocks.

Investors’ reasonable investment return shall be respected in the Company’s profit distribution, and continuity and stability shall be maintained in the Company’s profit distribution policies. Cash dividend distribution shall be in compliance with relevant laws and regulations as well as regulations of the CSRC, and be proposed by the Board based on the Company’s operation performance and be submitted to the general meeting for consideration and decision.

In the event of nil profit distribution in cash recommended by the Board, reasons shall be disclosed in the regular reports. Independent directors shall give their independent opinions on it.

In the event of misappropriation of company assets by a shareholder, the Company shall deduct the assets misappropriated by such shareholder from cash dividends allotted to such shareholder.”

to

“The Company may distribute dividends by way of cash or stocks.

Investors’ reasonable investment return shall be respected in the Company’s profit distribution, the Company shall fully listen to the opinions of the minority shareholders, protect the lawful interests of minority investors and safeguard the rights that shareholders of the Company are entitled to by laws such as return on assets. The profit distribution policies of the Company shall maintain continuity and stability in compliance with relevant laws and regulations as well as regulations of the CSRC.

The management and the Board of the Company shall formulate cash dividend proposal according to the Company's profitability and actual needs for its business development in consideration of its capital demand, reasonable investment returns to shareholders, the social capital cost and external financing conditions.

After every half of an accounting year or every accounting year, according to the actual conditions and development objectives of the Company, the Board of the Company shall formulate an annual or interim cash dividend distribution proposal, which will be submitted to a general meeting for approval upon consideration and approval of the supervisory committee.

Independent directors shall issue independent opinions on whether such cash dividend proposal is proper, stable and effective in protecting the interests of the investors.

The supervisor committee shall supervise the implementation of profit distribution policies and decision-making procedures by the Board and the management.

In the event of any adjustments or alterations to cash dividend policies as a result of material changes in external business environment or own operating conditions, the Board shall submit a proposal to be voted on at a general meeting after independent directors have given their opinions thereon and the supervisory committee has approved such proposal.

Resolutions made by the Board on proposed adjustments to cash dividend policies shall be approved by over two thirds of all directors and independent directors. Resolutions made by the supervisory committee on proposed adjustments to profit distribution policies shall be approved by over two thirds of all supervisors. Adjustments to profit distribution policies proposed for consideration at a general meeting shall be approved by over two thirds of the shareholders present at such general meeting.”

(2) Article 198 of the Articles of Association be amended from:

“The board of directors may determine on the distribution of interim dividends in addition to the distribution of annual dividends. Except for the otherwise regulated by the laws or regulations, the amount of the interim dividend shall not exceed 50% of the profit attributable mentioned in the interim profit report.

The Company may distribute interim cash dividends.”

to

“Cash dividend policies of the Company:

- (1) Cash dividends of the Company shall be distributed in proportion to the shares held by shareholders, except where non-pro rata distribution is provided pursuant to laws and regulations or the Articles of Association.
- (2) Where net profit attributable to shareholders of the Company for that year and the accumulated distributable profit as at the end of that year are positive, dividends can be distributed in cash;
- (3) Where the undistributed profit of the Company is positive, the profit distributed in cash for the last three years shall not be less than 30% of the average annual distributable profit realized for the last three years.
- (4) Where the Company makes a profit with sufficient capital, the Company may distribute interim dividends. Unless the general meeting otherwise resolves, the Board shall be authorized by the general meeting to distribute interim dividends. Unless the laws and regulations otherwise require, the amount of interim dividends shall not exceed 50% of the distributable profit as mentioned in the interim profit statement.

- (5) Where the Company makes a profit for that year without a cash dividend proposal, the Company shall have sufficient reasons, specify the use of retained capital and make corresponding plans. In addition, the Company shall disclose such reasons and use plans in regular reports, with independent opinions from independent directors expressed thereon.
- (6) In the event of misappropriation of the Company's capital by a shareholder, the Company shall deduct the capital misappropriated by such shareholder from cash dividends attributable to such shareholder.

After the profit distribution plan is resolved at a general meeting, the Board of the Company shall complete cash dividend distribution within two months upon the date of such general meeting.”

- (3) Article 124 of the Articles of Association be amended from:

“The board of directors shall designate at least three directors to be executive director who shall manage the daily operations of the Company and shall designate at least two non-executive directors who shall not manage the daily operations of the Company.

Executive directors shall be nominated by the chairman and elected and dismissed by more than half of all the directors.

A director may concurrently hold other senior positions in the Company, but the total number of directors who concurrently hold other senior positions together with the representatives of the employees who serves as director shall not exceed half of the total number of the Company's directors.”

to

“A director may concurrently hold other senior positions in the Company, but the total number of directors who concurrently hold other senior positions together with the representatives of the employees who serve as director shall not exceed half of the total number of the Company's directors.

The composition of the Board shall be in compliance with relevant requirements of laws, administrative regulations, normative documents and the regulatory provisions of the place where the Company's shares are listed.”

- (4) The Board be and is hereby authorised to deal with, in its absolute discretion, all matters relating to the proposed amendments to the Articles of Association.”

## II. ORDINARY RESOLUTIONS

### RESOLUTIONS IN RELATION TO THE PROPOSED ADOPTION OF INSURANCE POLICY

1. To consider and, if thought fit, approve the proposal in relation to the purchase of liability insurance for Directors, supervisors and senior management of the Company.

Yours faithfully,  
By Order of the Board  
**Dongfang Electric Corporation Limited**  
**Si Zefu**  
*Chairman*

Chengdu, Sichuan, the PRC  
26 October 2012

As at the date of this announcement, the Directors were 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

*Notes:*

1. All holders of the Company's A Shares whose names appear on the register of members of the Company at China Securities Depository and Clearing Corporation Limited, Shanghai office at 3:00 p.m. on Wednesday, 5 December 2012 are entitled to attend the EGM and should bring along their identity cards and stock account cards when attending the EGM. Holders of the Company's A Shares who intend to attend the EGM shall register for attending the EGM from 9:00 a.m. to 12:00 noon and from 2:00 p.m. to 5:00 p.m. on Tuesday, 11 December 2012 to Wednesday, 12 December 2012 at the office of the Board at the Company correspondence address set out below with their identity cards, stock account cards as well as the proxy form (if applicable) and their proxies' identity cards; foreign shareholders may deliver copies of the abovementioned documents by post or by facsimile, to the correspondence address of the Company with the attention to the office of the Board on or before Friday, 23 November 2012.
2. All holders of the Company's H Shares whose names appear on the register of members of the Company at 4:30 p.m. on Tuesday, 13 November 2012 are entitled to attend the EGM and should bring along their identity cards or passports when attending the EGM. Holders of the Company's H Shares should note that the register of members of the Company will be closed on Wednesday, 14 November 2012 to Friday, 14 December 2012 (both dates inclusive), during which period no transfers of Shares will be effected. All transfer documents accompanied by the relevant share certificates must be lodged 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 Tuesday, 13 November 2012. Holders of the Company's H Shares who intend to attend the EGM shall deliver copies of their identity cards or passports (with the pages showing the names of such shareholders), as well as the proxy form (if applicable) and their proxies' identity cards or passports, by post or by facsimile, to the correspondence address of the Company with the attention to the office of the Board on or before Friday, 23 November 2012.
3. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy or more proxies (who need not be a shareholder of the Company) to attend the EGM and vote thereat in his stead. For shareholders of the Company who appoint more than one proxy, the voting right can only be exercised by their proxies on a poll.

4. Any shareholder of the Company who intends to appoint a proxy to attend the EGM shall put it in writing, to be signed by the appointer or his attorney duly authorized in writing. If the shareholder of the Company who intends to appoint a proxy is a corporation, the proxy form must be affixed with the common seal of such shareholder, or signed by its legal representative (applicable to holders of the Company's A shares)/director (applicable to holders of the Company's H Shares) or attorney duly authorized in writing. If the proxy form is signed by an attorney authorized by the shareholder of the Company, the power of attorney or other authority must be notarially certified. The notarially certified power of attorney or other authority together with the instrument appointing the proxy must be delivered to the office of the Board aforesaid not later than 24 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy will not affect the rights of the shareholders of the Company to attend and vote at the EGM in person.
5. The registration procedures for attending the EGM as set out in note 1 and note 2 above (if any) shall not constitute a necessary condition to the lawful entitlement of the Company's shareholders to attend the EGM.
6. Proxies of holders of the Company's A Shares shall bring along stock account cards of their appointing shareholders, proxy form (if applicable) and the proxies' identity cards to attend the EGM. Proxies of holders of the Company's H Shares shall bring along the proxy form and the proxies' identity cards or passports to attend the EGM.
7. An ordinary resolution shall be passed by shareholders (including proxies) representing more than half of the votes represented by the shareholders (including proxies) present at the shareholders' meeting. A special resolution shall be passed by shareholders (including proxies) representing more than two-thirds of the votes represented by the shareholders (including proxies) present at the shareholders' general meeting.
8. Directors, supervisors and senior management of the Company and the witnessing lawyers and other relevant staff members employed by the Company will attend the EGM.
9. The EGM will last for half day. Shareholders of the Company and proxies attending the EGM should be responsible for their own travelling and accommodation expenses.
10. Contact details of the Company are set out as follows:

Correspondence Address: No. 333 Shuhan Road, Chengdu City, Sichuan Province, the PRC  
Contacts persons: Mr. Gong Dan and Mr. Huang Yong  
Telephone number: (8628) 8758 3666  
Facsimile number: (8628) 8758 3551  
Postal Code: 610036