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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 announcement of the Company dated 28 July 2015 (the "Announcement") in relation to the increase in the shareholding of the Company by the controlling shareholder, the State Grid Corporation of China (SGCC), since the announcement of the Company's listing on the Hong Kong Stock Exchange on 29 July 2015.

Dongfang Electric Corporation Limited
Gong Dan
Company Secretary

Cheung, Sca, PRC
29 July 2015

As a director of the Company, I hereby confirm that the information contained in the announcement is true and accurate, and I am not aware of any false or misleading information contained therein.

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") hereby announces that the Company's controlling shareholder, Dongfang Electric Corporation, has increased its shareholding in the Company on 28 July 2015. Details are as follows:

Pursuant to the Notice Issued by the State Administration of Securities Commission (SAC) on 27 December, 2015 (Shanghai Securities Exchange Stock Listing Regulation [Zhangjiafa (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])) and the Company's Securities Regulation Circular No. 8 July 2015 and the Announcement of the Company's Shareholding Increase on 8 July 2015, Dongfang Electric Corporation has increased its shareholding in the Company by 108,400 shares on 20 July 2015 by exercising its subscription rights under the Company's 2015-030 Share Incentive Plan.

Dongfang Electric Corporation has increased its shareholding in the Company on 27 July and 28 July 2015 by exercising its subscription rights under the Company's 2015-030 Share Incentive Plan. The total number of shares subscribed is 1,525,000 shares, of which 2,036,000 shares were subscribed on 27 July 2015 and 3,561,000 shares were subscribed on 28 July 2015. The total number of shares held by Dongfang Electric Corporation in the Company is 966,176,463 shares, representing 41.34% of the total number of shares in the Company. The total number of shares held by Dongfang Electric Corporation in the Company is 969,737,463 shares, representing 41.50% of the total number of shares in the Company.

The Board of Directors of Dongfang Electric Corporation Limited :
Dongfang Electric Corporation Limited (hereinafter referred to as "the Company")
2% of the total number of shares of the Company (including the shares held by the Company)
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The Company has established a Board of Directors consisting of 12 members, including 3 independent non-executive directors and 9 executive directors.
The Board of Directors is responsible for the overall strategic management of the Company and the supervision of the management.

Approved by the Board of Directors.

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