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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)

**PROPOSED ADOPTION OF CHINA ACCOUNTING STANDARDS  
FOR BUSINESS ENTERPRISES  
AND  
APPOINTMENT OF MAINLAND AUDITORS**

This announcement is made by Dongfang Electric Corporation Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

According to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” published by the Stock Exchange and the relevant amended provisions of the Listing Rules in December 2010, Mainland audit firms approved by the Ministry of Finance of China (“**MOF**”) and the China Securities Regulatory Commission (“**CSRC**”) can apply Mainland accounting standards when providing services to the Mainland incorporated issuers for the year ended on or after 31 December 2010. The Company is aware that ShineWing Certified Public Accountants (信永中和會計師事務所有限責任公司)(“**ShineWing**”) is a Mainland audit firm approved by MOF and CSRC to provide auditing services in accordance with China auditing standards to Mainland incorporated issuers.

In order to improve efficiency and to reduce the costs of disclosure and audit expenses, the board of directors (the “**Board**”) of the Company proposes at the annual general meeting of the Company to be held on Tuesday, 17 May 2011 at 9:00 a.m. to (i) adopt China Accounting Standards for Business Enterprises; and (ii) appoint ShineWing auditing the Company’s financial statements for the year 2011 in accordance with China Auditing Standards and to undertake all such activities as required to be performed by overseas auditors under the Listing Rules (including without limitation preliminary announcement on annual results and annual review of continuing connected transactions).

It is expected that the proposed appointment will not affect the publication of the Company’s audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2010.

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

Chengdu, Sichuan Province, the People’s Republic of China

31 March 2011

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

<i>Executive Directors:</i>	Si Zefu, Wen Shugang and Zhu Yuanchao
<i>Non-executive Directors:</i>	Zhang Xiaolun, Huang Wei and Zhang Jilie
<i>Independent Non-executive Directors:</i>	Zhao Chunjun, Li Yanmeng and Peng Shaobing