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哈尔滨动力设备股份有限公司

HARBIN POWER EQUIPMENT COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1133)

Matters about Acquisition of the A-shares which is Publicly Additionally-issued by GD Power Development

Recently, the Company signed the Subscription Letter, which invest 638 million RMB in cash to purchase 200 million shares of A-shares which is publicly additionally-issued by GD Power Development Co., Ltd. ("GD Power Development"), representing 1.30% of the issued total share capital.

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Background

In order to expand the development scale GD Power Development has issued less than 3 billion A-shares publicly, and the face value of shares is 1.00 RMB, at an issue price lower limit of 3.19 RMB per share. Among them, the China Guodian Corporation ("China Guodian") promises to subscribe more than 10% of the shares issued publicly this time. The fund-raising issued by GD Power Development this time is mainly used for the acquisition of the equity of China Guodian Zhejiang Beilun Third Power Generation Company and investing new construction project etc.

The reason for acquisition

The GD Power Development occupy an important position in Chinese electricity market with good prospects, and have always been one of the most important customers. The acquisition of additionally-issued A-shares by the Company this time is in favor of the further deepening of the cooperation with GD Power Development, has a positive significance to the Company's market expansion, can also help improve the Company's investment income.

Definitions

"Company" Harbin Power Equipment Company Limited, a company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange

"Board" the board of Directors

“Listing Rules”	the Listing Rules of Main Board Securities on the Stock Exchange of Hong Kong Limited
“A-Shares”	the domestic shares listed in Mainland China
“China Guodian”	China Guodian Corporation, which is a state-owned enterprise incorporated in China and the controlling shareholder of GD Power Development, holding 59.86% shares.
“GD Power Development”	GD Power Development Co., Ltd., a company incorporated in the PRC with limited liability, mainly engaging in the power generation business, and the A-shares of which are listed on Shanghai Stock Exchange and it is a non-wholly owned subsidiary of China Guodian Corporation
“RMB”	the lawful currency in China;

By Order of the Board
Harbin Power Equipment Company Limited
Ma Sui
Company Secretary

23 December 2010, Harbin, PRC

At the date of this announcement, the Executive Directors of the Company are Mr. Gong Jing-kun, Mr. Zou Lei, Mr. Duan Hong-yi, Mr. Wu Wei-zhang and Mr. Shang Zhong-fu; and the Independent non-executive Directors are Mr. Sun Chang-ji, Mr. Jia Cheng-bing, Ms. Li He-jun, Mr. Yu Bo and Mr. Liu Deng-qing.