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哈尔滨动力设备股份有限公司

HARBIN POWER EQUIPMENT COMPANY LIMITED

Stock Code 1133

Matters about Purchasing the A-shares which is Directionally Additionally-issued by Huaneng Power International

Recently, the Company signed the Subscription Letter, which invest 557 million RMB in cash to purchase 100 million shares of A-shares which is directionally additionally-issued by Huaneng Power International, Inc. (“Huaneng Power International”), representing 0.74% of the issued total share capital.

The foregoing shares subscribed by the company exist limited sales period, and it may not be transferred within 12 months from the date of issued by Huaneng Power International.

Recently, the Company signed the Subscription Letter, which invest 557 million RMB in cash to purchase 100 million shares of A-shares which is directionally additionally-issued by Huaneng Power International, representing 0.74% of the issued total share capital.

Background

In order to expand the development scale, Huaneng Power International has issued less than 1.5 billion A-shares non-publicly, and the face value of shares is 1.00 RMB, at an issue price of 5.57 RMB per share. Among them, the China Huaneng Group promises to subscribe 500 million shares issued non-publicly in cash this time. The fund-raising issued by Huaneng Power International this time is mainly used for development of Gansu Ganhekou Second Wind Power Field, Shangdayaxiao project of Jiangsu Huaneng Jinling Power Plant Phase and repaying bank loans etc.

The reason for acquisition

The Huaneng Power International occupy an important position in Chinese electricity market with good prospects, and have always been one of the most important customers. The purchase of additionally-issued A-shares by the Company this time is in favor of the further deepening of the cooperation with Huaneng Power International, 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 Huaneng Group”	China Huaneng Group, which is a state-owned enterprise incorporated in China and the direct and indirect controlling shareholder of Huaneng Power International, directly and indirectly holding 50.95% shares.
“Huaneng Power International”	Huaneng Power International, Inc., a company incorporated in the PRC with limited liability, mainly engaging in the power generation business, and the A-shares and H-shares of which are listed on Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited respectively and listed with ADR in New York and it is a non-wholly owned subsidiary of China Huaneng Group
“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.