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哈电集团
HARBIN ELECTRIC CORPORATION

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)

INFORMATION ABOUT THE PURCHASE OF THE A SHARES IN THE PRIVATE PLACING BY DATANG INTERNATIONAL

The Company has recently signed the Subscription Letter to invest RMB1.348 billion in cash to purchase 200 million A shares of Datang International to be issued by way of private placing, representing 1.5% of the total issued share capital of Datang International. The foregoing shares to be subscribed by the Company are subject to a lock-up period of 12 months from the date of issue by Datang International.

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In order to expand its development scale, Datang International has proposed to issue, at an issue price of RMB6.74 per share, not more than 1 billion A shares with a face value of RMB1 by way of private placing, among which CDC has undertaken to subscribe in cash for 100 million shares. The fund raised by Datang International this time is mainly used for the development of several projects in relation to nuclear power, wind power, hydropower, coal-fired power and coal mines, as well as repaying bank loans.

The Company, being one of the largest manufacturers of power plant equipment in the PRC, is principally engaged in the business of manufacturing and sale of thermal power equipment, hydropower equipment, nuclear power equipment, wind power equipment and coal-fired power equipment, and undertaking turn-key power station projects.

Datang International is principally engaged in the business of power plant operation, and has always been one of the most important customers of the Company. Datang International commands an important position in the domestic electricity market of the PRC with good prospects. The purchase by the Company of Datang International's A shares in this private placing will be beneficial to the further deepening of the cooperation between the two entities and will have a positive significance to the Company's market expansion. It can also enhance the Company's investment income.

DEFINITIONS

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| “Company” | Harbin Power Equipment Company Limited, a joint stock limited company incorporated in the PRC with limited liability the H shares of which are listed on the Hong Kong Stock Exchange |
| “Board” | the board of Directors of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange |
| “A shares” | the locally-listed domestic shares |
| “CDC” | China Datang Corporation, a state-owned enterprise incorporated in the PRC and a controlling shareholder of Datang International to be interested in a 30.5% shareholding after this share placement |
| “Datang International” | Datang International Power Generation Co., Ltd., a joint stock limited company incorporated in the PRC, principally engaged in the business of power generating with its A shares and H shares being listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange respectively |
| “RMB” | Renminbi, the lawful currency of the PRC |

By order of the Board
Harbin Power Equipment Company Limited
MA Sui
Company Secretary

Harbin, PRC, 24 May 2011

As 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.