

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**CONTINUING CONNECTED TRANSACTIONS
IN RESPECT OF THE DEPOSITORY SERVICES UNDER
THE FINANCIAL SERVICES FRAMEWORK AGREEMENT**

This announcement is made pursuant to Rule 13.73 of the Listing Rules.

On 1 June 2011, the Company and the Finance Company executed a letter to clarify that the deposits placed by the Company and its subsidiaries in the Finance Company under the Financial Services Framework Agreement may be deployed only for the use of the Company and its subsidiaries, and any remaining amounts may only be dealt with between the Finance Company and PBOC or one or more other commercial banks in the ordinary course of their business.

This announcement is made pursuant to Rule 13.73 of the Listing Rules.

Reference is made to the circular of the Company dated 18 May 2011 (the “Circular”) in respect of, among other things, continuing connected transactions of the Company contemplated under the Financial Services Framework Agreement and the related notice of extraordinary general meeting dated 18 May 2011. Terms defined in the Circular shall have the same meaning when used herein unless the context requires otherwise.

As disclosed in the Circular, the Company entered into the Financial Services Framework Agreement with the Finance Company pursuant to which, among other things, the Group may from time to time deposit money with the Finance Company. It is stated in the Circular that moneys deposited by the Company and its subsidiaries with the Finance Company may only be deployed for services or products provided by PBOC or one or more other commercial banks in the ordinary course of their business. On 1 June 2011, the Company and the Finance Company executed a letter to clarify that the deposits placed by the Company and its subsidiaries in the Finance Company under the Financial Services

Framework Agreement may be deployed only for the use of the Company and its subsidiaries, and any remaining amounts may only be dealt with between the Finance Company and PBOC or one or more other commercial banks in the ordinary course of their business.

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

Hong Kong, 2 June 2011

As at the date of this announcement, the non-executive directors of the Company are Mr. Gong Jing-kun, Mr. Zou Lei and Mr. Duan Hong-yi; the executive Directors are 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.