



哈爾濱動力設備股份有限公司  
Harbin Power Equipment Company Limited

(a joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 1133)

## CHANGE IN AUDITORS

The Board announces that its existing auditors, Deloitte has tendered their resignation as the auditors of the Company with effect from 28 December, 2006. The Company will appoint new auditors in place of Deloitte in the forthcoming 2006 AGM to be held on or before June, 2007. In the meantime, the Board has appointed Yuehua to fill up this casual vacancy prior to the appointment of the new auditors in the forthcoming 2006 AGM.

The board of directors (the "Board") of Harbin Power Equipment Company Limited (the "Company") hereby announces that its existing auditors in Hong Kong, Deloitte Touche Tohmatsu, and its existing auditors in the PRC, Deloitte Touche Tohmatsu CPA Limited (together, "Deloitte") have rendered their resignation as the auditors of the Company with effect from 28 December, 2006.

The resignation of Deloitte was to enable the Company to comply with a new policy issued by the State-owned Assets and Supervision and Administration Commission of the State Council in the People's Republic of China ("PRC") to centralize the audit works of State-owned enterprises. The Company being a subsidiary of a State-owned enterprise is required to appoint auditors designated by the State. The Company has received a confirmation letter from Deloitte that after consideration of many factors, Deloitte decided to render their resignation as the Company's auditors and that there are no other matters that need to be brought to the attention of the shareholders of the Company.

The Company will appoint new auditors in place of Deloitte in the forthcoming 2006 annual general meeting of the Company ("AGM") to be held on or before June, 2007. In the meantime, the Board has appointed Yuehua Certified Public Accountants Company Limited and Yuehua CPA Limited (together, "Yuehua") to fill up this casual vacancy for auditing works in The PRC and Hong Kong respectively in accordance with the articles of association of the Company prior to the appointment of the auditors in the forthcoming 2006 AGM.

By order of the Board  
**Ma Sui**  
Company Secretary

Harbin, PRC, 2 January, 2007

*At the date of this announcement, executive directors of the Company are: Mr. Gong Jing-Kun, Mr. Zhao Ke-fei, Mr. Qu Da-zhuang, Mr. Duan Hong-yi, Mr. Shang Zhong-fu and Mr. Wu Wei-zhang. Independent non-executive directors are: Mr. Zhou Dao-jun, Ms. Ding Xue-mei, Mr. Jia Cheng-bing, Ms. Li He-jun and Mr. Jiang Kui.*

"Please also refer to the published version of this announcement in China Daily."