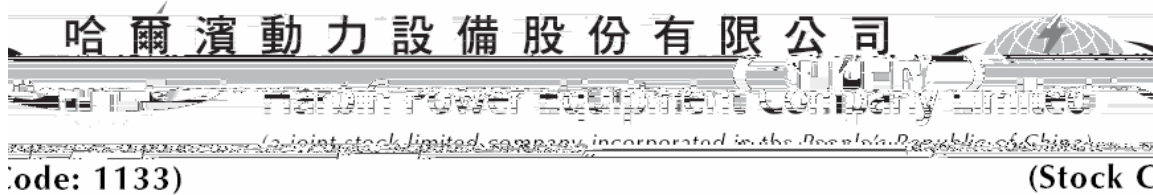


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## CLARIFICATION ANNOUNCEMENT

Reference is made to the “Clarification Announcement” of Form of proxy for use at the Special General Meeting dated 30 October 2009 and “Form of proxy for use at the Special General Meeting” in the Circular dated 2 November 2009 issued by Harbin Power Equipment Company Limited (the “Company”).

Due to checking reason, the mistakes in the above which is issued by the Company, “Clarification Announcement” of Form of proxy for use at the Special General Meeting and “Form of proxy for use at the Special General Meeting” in the Circular should be corrected as follows:

In the Note 3 of the English version, “Shareholder may appoint one or more proxy to attend and vote. The proxy is appointed couldn't be shareholder of this Company.” should be corrected into “Shareholder may appoint one or more proxy (whether or not a shareholder of the Company) to attend and to vote.”

In particular to pay attention to the shareholders, the revised form of proxy is enclosed. Every shareholder please take the revised form of proxy as the standard.

We apologize to all the investors for the inconvenience.

Hereby to be corrected.

By order of the Board  
Ma Sui  
Company Secretary

Harbin, PRC, 2 November, 2009

*At the date of this announcement, directors of the Company are:*

*Executive Directors: Mr. Gong Jing-kun, Mr. Zou Lei, Mr. Duan Hong-yi, Mr. Shang Zhong-fu and Mr. Wu Wei-zhang*

*Independent directors: Mr. Zhou Dao-jiong, Mr. Jia Cheng-bing, Ms. Li He-jun, Mr. Jiang Kui and Ms. Ding Xue-mei*



6. The appointed proxy would be appointed by consignor or the consignment letter he/she represent to sign. If the consignment letter be signed by consigner, this letter or other authorizes documents should be signed by notary . In order to be valid, this form of proxy, together with the duly notarized power of attorney or other document of authority (if any) under which is signed must be lodged at the registered office address or at the office address of the Company not less than 24 hours before the time appointed for holding the Special General Meeting or not less than 24 hours before the time for voting.
7. Where there are joint holders of any share of the Company, any one of such persons may vote at the Special General Meeting, either personally or by proxy, in respect of such shares as if he was solely entitled thereto provided that if more than one of such joint holders be present at the meeting personally or by proxy, the person whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
8. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Special General Meeting if he so wishes, in the event that he attends the Meeting, his form of proxy will be deemed to have been revoked.
9. Remuneration of directors and supervisors should be fixed according to the remuneration policies of the Company and the performance appraisal situation of directors and supervisors