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哈尔滨动力设备股份有限公司

HARBIN POWER EQUIPMENT COMPANY LIMITED

(incorporated in the People's Republic of China with limited liability)

(S c C de: 1133)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

B D C C P ()
31 D 2010:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 RMB'000	2009 RMB'000
	4	28,815,543	28,629,522
C		<u>(24,665,786)</u>	<u>(24,964,015)</u>
		4,149,757	3,665,507
	5	948,150	568,962
D		(483,997)	(388,589)
A		(2,686,530)	(2,325,715)
		(410,931)	(390,036)
	6(a)	(132,321)	(180,381)
5		<u>25,793</u>	<u>34,764</u>

	<i>Note</i>	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
	<i>6</i>	1,409,921	984,512
	<i>7</i>	(272,027)	(226,871)
		<u>1,137,894</u>	<u>757,641</u>
A r b a b e :			
		1,024,498	606,206
-		<u>113,396</u>	<u>151,435</u>
		<u>1,137,894</u>	<u>757,641</u>
E a r g e r h a r e			
B	<i>9</i>	<u>RMB74.4ce</u>	<u>B44.0</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2010

	<i>Note</i>	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
Non-current assets			
		4,991	248,724
		4,815,171	4,261,254
		367,348	342,018
		90,321	98,881
D		193,878	133,932
		328,490	179,079
A - -		35,941	27,074
		5,836,140	5,290,962
Current assets			
		12,562,801	14,230,160
	<i>11</i>	11,122,830	12,168,981
B	<i>11</i>	980,496	600,844
	<i>11</i>	4,506,705	4,852,058
		12,058	10,176
A		894,923	947,326
A		112,920	76,908
D		104,276	
		1,188,000	
			7,006
		249,294	526,229
B		1,090,000	3,553,595
C		11,425,774	10,612,136
		44,250,077	47,585,419
Current liabilities			
A		1,274,290	509,964
	<i>12</i>	11,746,026	10,166,545
		2,799,289	3,173,130
D		11,681,047	15,216,864
A		24,418	51,757
A		20,478	20,478
B		507,005	1,288,579
		815,084	592,313
		28,867,637	31,019,630

	<i>Note</i>	2010 RMB'000	2009 RMB'000
Net current assets		<u>15,382,440</u>	<u>16,565,789</u>
Trade receivables		21,218,580	21,856,751
Non-current assets			
D		7,592,559	8,118,370
A		1,042,918	814,020
B		<u>1,549,909</u>	<u>2,707,099</u>
		<u>10,185,386</u>	<u>11,639,489</u>
NET ASSETS		<u>11,033,194</u>	<u>10,217,262</u>
CAPITAL AND RESERVES			
S	13	1,376,806	1,376,806
		<u>8,260,977</u>	<u>7,262,220</u>
C		9,637,783	8,639,026
-		<u>1,395,411</u>	<u>1,578,236</u>
TOTAL EQUITY		<u>11,033,194</u>	<u>10,217,262</u>

NOTES:

FOR THE YEAR ENDED 31 DECEMBER 2010

1. GENERAL INFORMATION

C, C (C) C S (), - P C. (B), B C, C

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Sale of place

On 31 December 2018, the Group sold its subsidiary, C.A. (the "Sale"). The Sale was accounted for as a disposal of a subsidiary, in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations". The results of the subsidiary are presented separately in the consolidated financial statements for the period ended 31 December 2018.

(b) Balance of the financial statements

3. CHANGES IN ACCOUNTING POLICIES

The Group has adopted the following accounting policies for the period ended 31 December 2018:

On 1 January 2018, the Group adopted the following accounting policies:

- IFRS 3 (2008), *Business combinations*
- IAS 27, *Consolidated and separate financial statements*
- IAS 39, *Financial instruments: Recognition and measurement – eligible hedged items*
- IFRS 5 (2009)
- IAS 5 (2005), *Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause*
- IAS 24 (2009), *Related Party Disclosure*
- IAS 25 (2001), *Financial instruments: Recognition and measurement – Eligible hedged items*
- IAS 24 (2009), *Related Party Disclosure*

A 1 2010: A_S^{27} (2008),
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 S^5 ,
 (, S^5
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 A_S^{27} ,
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 1 2010: A_S^{28} *Investments in associates* , S^3 A_S^{27} ,
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 .
 C S^3 A_S^{27} ,
 .

5. OTHER REVENUE AND NET INCOME

	2010 RMB'000	2009 RMB'000
Other revenue	278,138	266,543
	278,138	266,543
C	60,617	
D	20	1,298
C	334,518	252,253
	29,279	9,880
	702,572	529,974
Other expense/()	5,877	7,805
	550	510
		8,437
()/	(9,584)	20,522
	150,349	
	104,276	
	1,110	1,714
	(7,000)	
	245,578	38,988
	948,150	568,962

6. PROFIT BEFORE TAXATION

/():

	2010 RMB'000	2009 RMB'000
(a) Finance cost	126,912	144,131
	18,690	39,282
	145,602	183,413
Less:	(13,281)	(3,032)
	132,321	180,381

B

4.78% (2009: 4.86%)

		2010 RMB'000	2009 RMB'000
(b) Staff c			
S		1,324,596	1,172,907
		256,978	229,713
		<u>1,581,574</u>	<u>1,402,620</u>
(c) Other e			
A		558,117	548,874
A		120,899	30,776
A		12,993	22,023
A		12,058	10,707
A		2,520	2,500
C	#	24,665,786	23,013,191
D		181	16,060
D		455,844	374,589
			1,659
		95,830	700
		3,945	
		5,937	2,300
		<u>650,239</u>	<u>463,633</u>
# C	B1,360,119,000 (2009: B1,234,581,000)		
			6()

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		2010 RMB'000	2009 RMB'000
Curre a			
C		360,907	239,022
		(28,934)	(12,056)
		<u>331,973</u>	<u>226,966</u>
Deferred a			
		(59,946)	(95)
		<u>272,027</u>	<u>226,871</u>

21 2008, C (高
 新技術企業). A C 16 2007, 1
 C 15% 3 ,

2008.
 C C 15%,
 25% (2009: 25%)
 A C 2008 . 897 C
 - C 6 2008, C
 S A 2008 -
 10% , C 10%
 2008 -

8. DIVIDENDS

() D C :
 2010 2009
 RMB'000 RMB'000
 B0.14
 (2009: B0.068)
 192,753 93,623

() D , C :
 2010 2009
 RMB'000 RMB'000
 B0.068 ,
 (2009: B0.075)
 93,623 103,260

9. EARNINGS PER SHARE

(a) Basic earnings per share

C B1,024,498,000 (2009: B606,206,000)
 1,376,806,000 (2009: 1,376,806,000)

(b) Diluted earnings per share

2009, 31 D 2010

AC/DC

AC/DC

(a) Seg e re , a e a d ab e

S

• S

$$I(\quad),$$
$$I(\quad)$$
$$I(\quad) \cdot$$

D 2010 2009

2010

	Ma her a p We et p e RMB'000	Ma h d p We et p e RMB'000	E g ee r g e r ce f t p We a RMB'000	A c a r et p e f t p We a RMB'000	AC/DC r a d her RMB'000	T a RMB'000
-	17,984,152 3,655,382	2,362,495	5,060,211	919,028	2,489,657	28,815,543 3,655,382
	<u>21,639,534</u>	<u>2,362,495</u>	<u>5,060,211</u>	<u>919,028</u>	<u>2,489,657</u>	<u>32,470,925</u>
Rep r ab e eg e r f	<u>2,534,295</u>	<u>596,378</u>	<u>170,478</u>	<u>307,563</u>	<u>541,043</u>	<u>4,149,757</u>
D ,	314,336	66,856	11,904	8,933	53,815	455,844
D					181	181
A	11,038	271		568	1,116	12,993
A	7,097	1,612	41	234	3,074	12,058
A	441,736	40,375	(1,079)	18,546	58,539	558,117
					3,945	3,945
Rep r ab e eg e a e	25,458,150	3,031,678	3,853,640	969,260	3,739,975	37,052,703
A -	454,143	141,568	10,969	12,558	140,268	759,506
Rep r ab e eg e ab e	<u>26,382,460</u>	<u>2,955,454</u>	<u>3,803,714</u>	<u>1,060,681</u>	<u>2,620,820</u>	<u>36,823,129</u>

2009

	A					
				AC/DC		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
-	19,220,791 1,736,527	1,893,429	4,299,673	1,251,301	1,964,328	28,629,522 1,736,527
	<u>20,957,318</u>	<u>1,893,429</u>	<u>4,299,673</u>	<u>1,251,301</u>	<u>1,964,328</u>	<u>30,366,049</u>
Rep ₁ ab e eg e Pr f /()	<u>2,572,874</u>	<u>437,991</u>	<u>(60,962)</u>	<u>316,106</u>	<u>399,498</u>	<u>3,665,507</u>
D ,	271,128	43,687	10,329	13,135	36,310	374,589
D					16,060	16,060
A	17,813	218		1,288	2,704	22,023
A	8,490	1,296	40	385	496	10,707
A	390,798	46,730	35,622	22,218	53,506	548,874
Rep ₂ ab e eg e a e	28,354,652	2,438,448	4,576,856	1,498,732	3,133,281	40,001,969
A -	563,920	99,329	8,094	16,245	171,914	859,502
Rep ₃ ab e eg e ab e	<u>29,811,273</u>	<u>2,692,148</u>	<u>3,036,218</u>	<u>1,675,755</u>	<u>1,728,146</u>	<u>38,943,540</u>

(b) Rec c a f t e p t a b e e g e t e e e, t f t , a e a d a b e

	2010 RMB'000	2009 RMB'000
Re e e	32,470,925 (3,655,382)	30,366,049 (1,736,527)
C	28,815,543	28,629,522
P t f		
	4,149,757 (132,321)	3,665,507 (180,381)
S	25,793	34,764
T	(2,633,308)	(2,535,378)
C	1,409,921	984,512
A e	37,052,703 328,490	40,001,969 179,079
D	193,878	133,932
D	104,276	
	1,188,000	
A - -	35,941	27,074
T	11,182,929	12,534,327
C	50,086,217	52,876,381
L a b e	36,823,129 408,567	38,943,540 298,577
T	1,821,327	3,417,002
C	39,053,023	42,659,119

(c) ~~Geographical~~ ~~financial~~

	Re e e f r e e r a c e r		N -c r r e a e	
	2010	2009	2010	2009
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
C ()	23,516,049	24,303,858	5,606,321	5,129,956
	5,299,494	4,325,664		
	<u>28,815,543</u>	<u>28,629,522</u>	<u>5,606,321</u>	<u>5,129,956</u>

11. TRADE RECEIVABLES/BILLS RECEIVABLE/OTHER RECEIVABLES,

12. TRADE PAYABLES

		2010	2009
		RMB'000	RMB'000
1		9,856,188	6,941,123
1	2	1,199,575	2,877,157
2	3	548,747	267,834
	3	141,516	80,431
		<u>11,746,026</u>	<u>10,166,545</u>

13. SHARE CAPITAL

		2010		2009	
		Number of shares	RMB'000	Number of shares	RMB'000
5	B1	701,235,000	701,235	701,235,000	701,235
	B1	<u>675,571,000</u>	<u>675,571</u>	<u>675,571,000</u>	<u>675,571</u>
A 1	31 D	<u>1,376,806,000</u>	<u>1,376,806</u>	<u>1,376,806,000</u>	<u>1,376,806</u>

C ,

14. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

() 11 2011, 哈爾濱電機廠有限責任公司 (), - C , C 哈爾濱電機廠(昆明)有限責任公司 (), - , B250,000,000 . A 55.64% . D 15 2011. C 9. () A , C .

MANAGEMENT DISCUSSION AND ANALYSIS

(T, ,)

Macr Ec Ma d I d r De e p e

2010,

Product and Service

2010 21,556.6 ,
17.43% ,
26,070 , 17.51% ;
20,827.3 ,
17,940 , 13.72%
- 3,616.6 ,
31.93% .
A -
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R&D and Technology Investment

2010, ,
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20 , \$
D A \$ B D \$,
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A 1000 -
C ,
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1000 1000 ;
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 - - ,
 . 2010,
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Refund and Management

C 2010, , . D
 , -
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 C , .
 C . A C
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 C . C
 .

Profit

2010, C
 B1,024.50 , 69.00% ;
 B0.74, B0.30
 ; C
 B9,637.78 , B998.75
 ; B7.00, B0.73
 .

D

TURNOVER

2010, B28,815.54
 , 0.65%
 6.43% B17,984.15 ,
 62.41%
 24.77% , 8.20% B2,362.50 ,
 17.69% , B5,060.21 ,
 17.56% B919.03
 , 26.55% , 3.19%
 B2,489.66 , AC/DC , 8.64%
 26.74%

D

2010, B5,299.49 ,
 B973.83 18.39%
 A A .

COST

D 2010, B24,665.79
 , 1.19% .

GROSS PROFIT AND GROSS PROFIT MARGIN

2010,				B4,149.76
14.40%,	13.21%	1.60	. A	
			B2,534.29	B38.58
14.09%,	0.70			
B158.39			B596.38	
		25.24%,	2.11	
	B170.48		B231.44	
3.37%,	4.79			
B8.55			B307.56	
		33.47%,	8.21	
B541.04		AC/DC		
		B141.54		
21.73%,	1.39	AC/DC		

EXPENSES DURING THE PERIOD

			2010	
B484.00		B95.41	24.55%	
	B360.82	15.51%	2010	B2,686.53
	&D			

INTEREST EXPENSE

2010,		B132.32	
B48.06			

FUNDING AND BORROWINGS

			. A	
	B2,056.91	. A	31 D	2010,
		(31 D	D	2009: B3,995.68
		. A		
	B507.00			B781.58
B1,549.91				
		B1,157.19		

DEPOSITS AND CASH FLOW

A 31 D , 2010, B12,515.77
 , B1,649.96 . D ,
 B854.33 .
 B1,906.30
 B1,946.99 .

CAPITAL STRUCTURE AND CHANGES THEREOF

A 31 D , 2010, B50,086.22 ,
 B2,790.16 (5.28%) ,
 B44,250.08 , 88.35% ,
 - B5,836.14 , 11.65% .

LIABILITIES

A 31 D , 2010, B39,053.02 ,
 B3,606.10 ,
 B28,867.64 , 73.92% ,
 - B10,185.38 , 26.08%
 . A 31 D , 2010, 77.97%.

SHAREHOLDERS' EQUITY

A 31 D , 2010, C
 B9,637.78 , B998.75
 ; B7.00. D ,
 11.21%.

GEARING RATIO

A 31 D , 2010, (-
 ,) 1.06:1 1.35:1 .

CONTINGENT LIABILITIES AND PLEDGE OF ASSET

A 31 D , 2010, B249.29
 .

31 D , 2010, , A
B365.37 .

2010, B145

A 31 D, 2010, B2,630

A 31 D , 2010, 18,485
B1,326 . , C ,
- - ,
 , ,
 ,

3. S_{τ} gf_{τ} breather gh free area

A

DIVIDEND

A B0.14 () 2010 (2009:
 B0.068) ,
 .
 D B0.14 2010
 , 13 A , 2011;
 B192.75 \$;
 \$, B C
 18 , 2011, B1 \$1.1861.
 \$0.1661 ().

CLOSURE OF REGISTER

C 13 A , 2011 12 ,
 2011 (). 2010
 C 13 A 2011 15
 2011. 2010,
 C , ,
 183 , , C \$ 1712 1716, 17 C ,
 4:30 . ., 8 A 2011.

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

A 31 D , 2010, ,
 C /
 () C / (C
)
 \$ 7 8 \$ (C
 ,
) 352
 C C \$ C D
 C C \$ A 10 \$.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

C , C ,
 C .

MODEL CODE

C , C A , 10 \$ B
 .

CODE ON CORPORATE GOVERNANCE PRACTICES

C C 2010
 C C A 14
 S
AUDITORS
 C C C C C C C A C ., ,
 C () C A .
 B G g J g- B
 Chairman
 , 18 2011
 A , . D , - , . D C .
 - , . B , . D - . S C - , . S C - , .