

致各位股東：

截止2004年12月31日止年度(本年度)，哈爾濱動力設備股份有限公司監事會(本監事會)全體成員，按照《中華人民共和國公司法》、《香港聯合交易所有限公司之證券上市規則》和本公司章程賦予的職責，認真履行監事會職能，通過參加股東大會、列席公司董事會會議和召開監事會會議，對公司提交的有關資料進行審議，對公司生產經營活動和董事會成員、經理層人員履行公司職責等實施了監督。並對公司的生產經營、技術改造及投資計劃等重大事項積極參與，提出諸多建設性意見和建議，促進了公司各項工作的健康開展。

對公司本年度之工作，本監事會發表如下獨立意見：

1. 在本年度內，公司能夠嚴格執行國家法律、法規，按上市公司的規範程序運作，認真執行股東大會的各項決議，通過深化改革，加強管理，扎實開展了降成本、降費用，提高經濟效益工作，全面完成了生產經營任務，實現了目標，其經營業績是令人滿意的。
2. 本監事會認為，公司董事、經理及其高級管理人員在履行職責、遵紀守法、維護股東權益等方面盡職盡責，能夠認真執行股東大會和董事會的決議、決定，尚未發現有違反國家法律、法規和公司章程以及損害公司利益的行為。

To all shareholders:

For the year ended at 31st December, 2004, all members of the supervisory committee ("the Committee") of Harbin Power Equipment Company Limited ("the Company") fulfilled their Supervisory of Committee functions in accordance with the regulations of the PRC Laws on Companies, the Listing Rules of the HKSE and the Articles of Association of the Company. The Committee had reviewed documents submitted by the Company and supervised the Company's productive and managing activities and the manager level members' work performance by way of participating the General Meeting and the Company's Board of Directors meetings and setting up supervisory committee meetings. In addition, the Committee had participated actively big events, such as the Company's production, management, technology renovation and investment plan etc. and gave a lot of positive opinions and suggestions, which pushed forward the Company's work. The Committee's specific duties are as follows:

1. During the period under review, the Company operated strictly according to national laws, regulations and regulations and procedures for List Company. With carrying out every resolutions of the General Meetings, deepening reform, strengthening management and working with the strategy of reducing cost and improving efficiency, the Company had finished production and operation task in all fields and achieved its target. In general, the managing results are satisfied.
2. The Committee is aware that the directors, the managers and other senior managers have actively carried out their duties in accordance with relevant regulations of the Articles of Association of the Company and in the best interests of the shareholders. In addition, they carried out carefully the resolutions and decisions from the General Meetings and Board of Directors. They have not abused their powers to act against the interests of the shareholders and the Company.

3. 本監事會對公司的財務制度和財務狀況進行了審查，認為公司的財務系統組織機構完整、制度健全，財務工作能夠按照內部控制制度和財務管理制度有序運行，進一步強化了資金管理、成本管理、合同管理及資產處置的研究和管理，保證了資金的安全和有效運用。董事會擬提交本次股東周年大會審議的年度財務報告和紅利分配方案等相關資料，均能夠如實地反映了公司的財務狀況、資產狀況和經營成果，尚未發現違紀、違規問題。
 4. 本監事會審核了董事會工作報告，認為報告客觀真實地反映了公司在本年度所做的各項工作。
 5. 本監事會認為，公司的關聯交易均按公平合理之原則訂立，尚未發現有損害公司利益和股東權益的行為。
 6. 本監事會認為，公司要進一步加強管理，在提高經濟效益上狠下功夫，不斷提高公司的盈利能力和水平，繼續保持公司的可持續發展勢頭。
3. The Committee has reviewed the Company's financial system and financial situations and got the conclusion that the Company's organization and system of the financial section is completed. In addition, with further strengthening capital management, cost management, contract management and management and research on asset disposition, the financial work was operated step by step according to inner control system and financial management system and ensured the capital operate safe and efficiently. The annual financial statement and dividend distribution scheme and the related documents submitted by Board of Directors to the annual General Meeting for review can truly reflect financial situation, asset situation and operation results of the Company. They have not abused their powers to act against disciplines and regulations.
 4. The Committee reviewed work report of the Board of Directors. These reports truly, fully and fairly reflected the Company's every operation in this year.
 5. The Committee is aware that the connected transactions are done in fair and reasonable principle. They have not abused their powers to act against the interests of the Company and shareholders.
 6. The Committee is aware that with further strengthening management and improving economy benefit, the Company should continue to improve its payoff capability and level and keep continuable developing tide.

本監事會由衷感謝公司各位同仁及股東的信任和支持，並將積極探索新的監督途徑和方法，制定具體的監督檢查措施，更好地履行監督職能，為全面實現公司2005年度的生產經營目標而努力工作。

The Committee sincerely appreciates trust and supports from every employee of the Company and shareholder. With positively exploring new supervisory approach and method, establishing detailed supervisory and inspect method, the Committee will performance supervisory function better and work hard for achieving production and operation target in 2005 of the Company.

承監事會命
主席
郎恩齊

For and On behalf of the supervisory committee
Chairman
Lang en-qi

於中國·哈爾濱，二零零五年四月十六日

Harbin, the People's Republic of China, 16th April, 2005