

Harbin Electric Corporation Limited and The Stock Exchange of Hong Kong Limited take the pleasure to invite you to attend the annual general meeting of the company to be held on 14 December 2019, at 10:00 a.m. (H.K. time) at the Grand Ballroom of the Sheraton Hotel, 222, Queen's Road East, Hong Kong.



哈尔滨电气股份有限公司

HARBIN ELECTRIC COMPANY LIMITED

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

(Stock Code: 1133)

DISCLOSEABLE TRANSACTION ENTERING INTO THE EQUITY COOPERATION AGREEMENT WITH TIANJIN LINGANG INVESTMENT HOLDING CO., LTD.

ENTERING INTO THE EQUITY COOPERATION AGREEMENT WITH TIANJIN LINGANG

The Board of Directors of the Company has approved the Equity Cooperation Agreement with Tianjin Lingang on 23 December 2019, and the Company and Tianjin Lingang have entered into the Equity Cooperation Agreement with a total investment amount of RMB400,000,000 (equivalent to HK\$444,869,542), of which the Company holds 80% of the shares.

IMPLICATIONS UNDER THE LISTING RULES

As the aggregate percentage of the Company's share capital (as defined in the Listing Rules) that the Company and Tianjin Lingang have entered into the Equity Cooperation Agreement with Tianjin Lingang is less than 25%, the Equity Cooperation Agreement with Tianjin Lingang is not a connected transaction under the Listing Rules, and the Company is not required to file a circular with the Stock Exchange of Hong Kong in accordance with the Listing Rules.

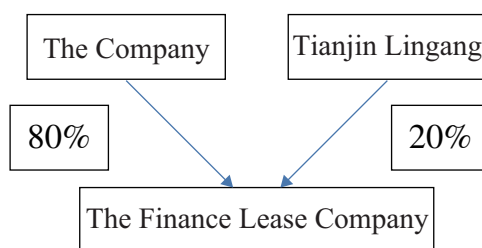
INTRODUCTION

The Board of Directors of the Company has approved the Equity Cooperation Agreement with Tianjin Lingang on 23 December 2019, and the Company and Tianjin Lingang have entered into the Equity Cooperation Agreement with a total investment amount of RMB400,000,000 (equivalent to HK\$444,869,542), of which the Company holds 80% of the shares.

INFORMATION ABOUT FINANCE LEASE COMPANY

The registered capital of Finance Lease Company is RMB500,000,000 (equivalent to a share price of HK\$556,086,928). The Company's registered capital is RMB400,000,000 (equivalent to a share price of HK\$444,869,542) and Tianjin Lingang's registered capital is RMB100,000,000 (equivalent to a share price of HK\$111,217,386) respectively. In accordance with the Company's Limited Partnership Agreement, the Company and Tianjin Lingang have entered into a joint venture agreement to establish Finance Lease Company. The Finance Lease Company is a limited liability company.

The ownership structure of Finance Lease Company is as follows:



PRINCIPAL TERMS OF THE EQUITY COOPERATION AGREEMENT

The following are the main terms of the Equity Cooperation Agreement:

1. Date

23 December 2019

2. Parties

() The Company; and

() Tianjin Lingang.

The above terms, if not otherwise specified in the Company's articles of association, shall be subject to the provisions of the Limited Partnership Agreement, Tianjin Lingang's articles of association and the Limited Partnership Agreement (as defined in the Limited Partnership Agreement).

3. Subject matters of the Equity Cooperation Agreement

The C P a a d T a j L g a g j i P r a e c a i a c i b i t i e t a b i e F a c e L e a e C P r a .

4. Business scope of the Finance Lease Company

T e b . e c e f i e F a c e L e a e C P r a c . d e : f a c e e a e b . e ; e a g b . e ; . c a e f d P r e i c a d e e a e a e d e i ; a d g a d P r a t e a c e f e d a a e f e a e d e i ; c . t a l e a e i a a c t ; a d f a c t g b . e e a e d i t e c a b . e (f i e P r o j e c t i a a a c c d g i a , b . e a c t i e a b e c a e d i a f t e b t a g a a b e e a i a i t i e) .

5. Amount and method of capital contribution

T e e g t e e d c a i a f i e F a c e L e a e C P r a R M B 5 0 0 , 0 0 0 , 0 0 0 (e . a e i t a x P r a t e H K \$ 5 5 6 , 0 8 6 , 9 2 8) , c a b e a d i t i a P r e i . A P r g c , i e C P r a a c i b i t e R M B 4 0 0 , 0 0 0 , 0 0 0 (e . a e i t a x P r a t e H K \$ 4 4 4 , 8 6 9 , 5 4 2) c a , c a c c i t f 8 0 % a e d g , i R M B 1 3 6 , 0 0 0 , 0 0 0 (e . a e i t a x P r a t e H K \$ 1 5 1 , 2 5 5 , 6 4 4) b e g t e i a c i b i t ; T a j L g a g a c i b i t e R M B 1 0 0 , 0 0 0 , 0 0 0 (e . a e i t a x P r a t e H K \$ 1 1 1 , 2 1 7 , 3 8 6) c a , c a c c i t f 2 0 % a e d g , i R M B 3 4 , 0 0 0 , 0 0 0 (e . a e i t a x P r a t e H K \$ 3 7 , 8 1 3 , 9 1 1) b e g t e i a c i b i t .

T e c a i a c i b i t a P r i t P r a d e b i e C P r a a d T a j L g a g i t i e F a c e L e a e C P r a d e t e r e d a f t e a P r e g t e g i a t b e t e e t i e C P r a a d T a j L g a g , i a g t a c c i t i e e i P r a t e d c a i a e . e P r e i f i e F a c e L e a e C P r a .

T e C P r a a d T a j L g a g a P r a e t e i a c i b i t i e P r i t f P r i e e g t a t d a t e f i e F a c e L e a e C P r a , a d , a c c d g t i e b . e e e d , f i f f i e b g a t f c a i a c i b i t b a t e i a 3 1 A g t 2 0 2 0 . I f a a t f a t i e f P r i e b g a t f c a i a c i b i t a c c d a c e t i e , i a , a d d i t i e f a P r e i t i e F a c e L e a e C P r a , a d a P r a g e f b e a c f c i a c t i a t a e e a t e t . a d i f i e . a d a P r i t i c a t i a t a a d i e f a P r i t f c a i a c i b i t i P r e f e e d a f d e a .

T e C P r a a d T a j L g a g a a P r e a t a x e a d f e e a a b e b i e P r e e c t e c c e t i t e e x e c i a d e f P r a c e f i e E . i C e a t A g e P r e i .

6. The board of directors, supervisory committee and the management of the Finance Lease Company

The board of directors of the Finance Lease Company shall exercise the powers (including the power of appointment) in accordance with the articles of association and the Memorandum of Association of the Finance Lease Company. The powers of appointment shall be exercised in accordance with the Memorandum of Association, and shall be exercised by the Finance Lease Company as a separate legal entity.

The board of directors of the Finance Lease Company shall have a strategic decision-making committee, a financial committee and an audit committee. The strategic decision-making committee shall be a committee of the Finance Lease Company, and shall be a committee of the Finance Lease Company. The financial committee shall be a committee of the Finance Lease Company, and shall be a committee of the Finance Lease Company. The audit committee shall be a committee of the Finance Lease Company, and shall be a committee of the Finance Lease Company.

The Finance Lease Company shall have a committee of directors, comprising the directors of the Finance Lease Company (including the Chairman and the Managing Director). Each director of the Finance Lease Company shall be appointed in accordance with the Memorandum of Association, and shall be appointed in accordance with the Memorandum of Association.

The financial committee of the Finance Lease Company shall exercise the powers, including the power of appointment, in accordance with the Memorandum of Association, and shall be a committee of the Finance Lease Company. The financial committee of the Finance Lease Company shall be a committee of the Finance Lease Company, and shall be a committee of the Finance Lease Company. The financial committee of the Finance Lease Company shall be a committee of the Finance Lease Company, and shall be a committee of the Finance Lease Company.

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7. Profit distribution

In accordance with the Finance Lease Company's Articles of Association, the Finance Lease Company shall be entitled to distribute its profits to the Finance Lease Company as a separate legal entity.

8. Equity transfer and change of registered capital

M. t. a. t. a. f. e. f. a. a. t. f. e. l. t. t. e. i. b. e. t. e. e. t. e. a. e. d. e. f. i. t. e. F. a. c. e. L. e. a. e. C. h. r. a. e. l. l. e. d. A. a. e. d. e. f. i. t. e. F. a. c. e. L. e. a. e. C. h. r. a. a. e. e. c. e. i. f. h. r. a. t. e. a. e. d. e. () f. i. t. e. F. a. c. e. L. e. a. e. C. h. r. a. b. e. f. e. t. a. f. e. g. i. t. t. e. e. t. i. d. d. a. t. e. t. a. t. e. a. e. d. e. () f. i. t. e. F. a. c. e. L. e. a. e. C. h. r. a. . W. e. e. a. a. e. d. e. f. i. t. e. F. a. c. e. L. e. a. e. C. h. r. a. t. a. f. e. t. e. l. t. t. e. e. t. i. e. a. t. e. d. e. t. e. e. , t. e. a. e. d. e. () f. i. t. e. F. a. c. e. L. e. a. e. C. h. r. a. a. c. e. g. e. c. e. i. t. e. e. t. a. d. a. e. i. t. / t. e. e. x. e. c. e. f. e. e. h. r. i. g. i. t.

If i. t. e. F. a. c. e. L. e. a. e. C. h. r. a. c. a. g. e. t. e. g. t. e. e. d. c. a. t. a. a. d. a. h. r. e. d. i. t. a. i. c. e. f. a. c. t. , i. t. a. c. e. e. d. a. c. c. d. a. c. e. t. i. t. a. i. c. e. f. a. c. t. a. d. c. a. g. e. t. e. g. t. a. t. i. t. e. g. a. e. g. t. a. t. a. t. i. t. . I. f. t. e. e. a. c. e. a. e. t. e. e. g. t. e. e. d. c. a. t. a. , t. e. g. a. a. e. d. e. a. b. e. i. t. e. d. i. t. e. e. h. r. i. g. i. t. f. c. a. t. a. c. t. i. b. i. t. ; f. i. e. e. a. d. e. c. e. a. e. t. e. e. g. t. e. e. d. c. a. t. a. , t. e. e. g. t. e. e. d. c. a. t. a. a. f. t. e. e. d. c. t. a. t. i. b. e. e. t. a. t. e. t. a. t. h. r. h. r. h. r. a. h. r. i. f. i. e. e. g. t. e. e. d. c. a. t. a. .

9. Effect and operation term of the Equity Cooperation Agreement

T. e. E. q. u. i. t. y. C. o. o. p. e. r. a. t. i. o. n. A. g. r. e. e. m. e. n. t. a. t. a. e. e. f. f. e. c. t. . e. a. g. a. d. a. f. f. x. g. a. f. f. c. a. e. a. t. e. e. t. b. t. e. e. g. a. e. e. e. t. a. t. e. a. t. e. d. e. e. e. t. a. t. e. f. b. t. i. t. e. C. h. r. a. a. d. T. a. j. L. o. g. a. g. a. d. a. b. e. c. h. r. e. e. f. f. e. c. t. e. f. h. r. 23 D. e. c. e. m. b. e. 2019.

T. e. e. a. t. t. e. h. r. f. i. t. e. F. a. c. e. L. e. a. e. C. h. r. a. a. b. e. e. e. t. a. .

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY COOPERATION AGREEMENT

1. E. t. e. g. i. t. t. e. E. q. u. i. t. y. C. o. o. p. e. r. a. t. i. o. n. A. g. r. e. e. m. e. n. t. i. t. h. r. e. t. e. a. t. i. f. a. d. f. i. t. e. h. r. e. t. e. f. t. a. b. i. t. f. i. t. e. C. h. r. a. ' f. a. c. a. e. c. e. e. g. h. r. e. i. t.
2. E. t. e. g. i. t. t. e. E. q. u. i. t. y. C. o. o. p. e. r. a. t. i. o. n. A. g. r. e. e. m. e. n. t. a. t. i. t. e. C. h. r. a. i. t. e. g. a. t. e. t. e. a. a. d. e. x. t. e. a. e. . c. e. , h. r. t. e. a. e. f. e. g. e. a. t. e. e. h. r. e. t. d. c. t. b. f. a. c. a. h. r. e. a. , a. d. d. e. c. i. t. h. r. e. t. e. t. e. t. e. g. a. t. e. d. f. a. c. g. i. t. , a. d. a. t. i. t. e. C. h. r. a. a. d. i. t. b. d. a. e. t. a. c. c. e. a. t. e. t. a. f. h. r. a. t. a. d. g. a. d. e. f. b. e. h. r. d. e. a. d. h. r. e. t. e. c. h. r. e. e. e. h. r. a. e. t. c. h. r. e. t. i. e. e. f. i. e. d. c. t. .

3. The Company's net assets attributable to the Company's shareholders, based on the consolidated financial statements of the Company, are as follows: (a) as at the end of the reporting period, the net assets attributable to the Company's shareholders are RMB1,234,567,890.12; (b) as at the end of the reporting period, the net assets attributable to the Company's shareholders are RMB1,234,567,890.12; (c) as at the end of the reporting period, the net assets attributable to the Company's shareholders are RMB1,234,567,890.12.

The Board of Directors of the Company is pleased to announce that the Company has completed the acquisition of the shares of the Company's subsidiaries, which are listed on the Shanghai Stock Exchange.

INFORMATION ABOUT THE COMPANY AND TIANJIN LINGANG

The Company is a leading manufacturer of high-quality products in the PRC, with a long history of providing reliable and high-quality products to our customers. The Company's products are widely used in various industries, including construction, manufacturing, and transportation. The Company's products are known for their durability, reliability, and high performance. The Company's products are also known for their low cost and high quality. The Company's products are also known for their excellent customer service and support.

Tianjin Lingang is a state-owned enterprise established by the State-owned Assets Supervision and Administration Commission of the State Council. It is a leading manufacturer of high-quality products in the PRC, with a long history of providing reliable and high-quality products to our customers. The Company's products are widely used in various industries, including construction, manufacturing, and transportation. The Company's products are known for their durability, reliability, and high performance. The Company's products are also known for their low cost and high quality. The Company's products are also known for their excellent customer service and support.

IMPLICATIONS UNDER THE LISTING RULES

As the Company's net assets attributable to the Company's shareholders (as defined in the Listing Rules) are not less than 25% of the Company's net assets attributable to the Company's shareholders as at the end of the reporting period, the Company is deemed to be a public company under the Listing Rules. The Company's net assets attributable to the Company's shareholders are RMB1,234,567,890.12 as at the end of the reporting period. The Company's net assets attributable to the Company's shareholders are RMB1,234,567,890.12 as at the end of the reporting period. The Company's net assets attributable to the Company's shareholders are RMB1,234,567,890.12 as at the end of the reporting period.

DEFINITIONS

In this certificate, unless the context otherwise requires, the following expressions shall have the meanings set out below:

Board means the board of directors of the Company;

Company means Harbin Electric Company Limited* (哈爾濱電氣股份有限公司), a company incorporated in the PRC and limited liability, the share of which is held by the Shareholders of the Special Exchange;

Joint Credit Agreement means the Joint Credit Agreement entered into between the Company and Taishan Lending 23 December 2019;

Finance Lease Company means Harbin Electric Finance Lease Co., Ltd.* (哈電融資租賃有限責任公司) (the latter), a company jointly established by the Company and Taishan Lending;

HK\$ means Hong Kong dollars, the lawful currency of Hong Kong;

Hong Kong means the Hong Kong Special Administrative Region of the PRC;

Listing Rules means the Rules Governing the Listing of Securities of the Special Exchange;

PRC means the People's Republic of China;

Share(s) means share(s) of the Company;

Special Exchange means The Special Exchange of Hong Kong Limited;

T a j L g a g

T a j L g a g I e t r e t H d g C ., Ltd. * (天津臨港投資控股有限公司);

RMB

R e t r b , t e a f c e c f t e P R C ;

I t a . c e t , t a a t f R M B t H K \$ b a e d t e e x c a g e a t e f H K \$ 1 . 0 0 = R M B 0 . 8 9 9 1 4 . T f t e e f t a t a d d e t c t t e a e e t a t i a t a a t a e b e e , c d a e b e e t r a b e c e t e d a t c a t e a t e e x c a g e a t e .

* F d e t f c a t e

B O d e f t e B a d
Harbin Electric Company Limited
Si Ze-fu
C a t r a

H a b , P R C
23 D e c e m b e r 2019

A a t t e d a t e f t a . c e t , t e e x e c t e d e c t f t e C t r a a e M . S Z e - f , M . W . W e - z a g a d M . Z a g Y g - j a ; a d t e d e e d e t e x e c t e d e c t f t e C t r a a e M . Z . H g - j e , M . Y . W e x g , M . H J a t r a d M . T a M .