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Harbin Electric Corporation Co., Ltd.

(哈爾濱電氣集團有限公司)

(A wholly state-owned company incorporated in the People's Republic of China)



哈尔滨电气股份有限公司

HARBIN ELECTRIC COMPANY LIMITED

Harbin Electric Company Limited

(哈爾濱電氣股份有限公司)

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

JOINT ANNOUNCEMENT

IN RELATION TO

(1) VOLUNTARY CONDITIONAL OFFER BY CITIGROUP ON BEHALF OF HEG TO ACQUIRE ALL OF THE ISSUED H SHARES IN HEC

(2) PROPOSED VOLUNTARY WITHDRAWAL OF LISTING OF THE H SHARES OF HEC

AND

(3) PROPOSED MERGER BY ABSORPTION OF HEC BY HEG

ACCEPTANCE OF THE H SHARE OFFER

INTRODUCTION

Reference is made to (i) the composite document jointly issued by Harbin Electric Corporation Co., Ltd. (“**HEG**”) and Harbin Electric Company Limited (“**HEC**”) dated 20 March 2019 (the “**Composite Document**”); (ii) the announcement jointly issued by HEG and HEC dated 7 May 2019 relating to the poll results of the Extraordinary General Meeting and the H Share Class Meeting; (iii) the announcement jointly issued by HEG and HEC dated 20 May 2019 relating to the extension of the H Share Offer (the “**Extension Announcement**”); and (iv) the announcement jointly issued by HEG and HEC dated 22 May 2019, in respect of the

voluntary conditional offer by Citigroup Global Markets Asia Limited on behalf of HEG to acquire all of the issued H Shares in HEC (the “**H Share Offer**”); the proposed voluntary withdrawal of listing of the H Shares of HEC (the “**Delisting**”); and the proposed merger by absorption of HEC by HEG (the “**Merger**”).

Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Composite Document and the Extension Announcement.

THE CLOSING DATE OF THE H SHARE OFFER

As disclosed in the Extension Announcement, the closing time and date of the H Share Offer has been extended to **4:00 p.m. on (i) the date when the Acceptance Condition (that is, the minimum valid acceptances of the H Share Offer being received amounting to at least 90% of the H Shares in issue) is fulfilled, or (ii) Friday, 19 July 2019, whichever is earlier. There will be no further extension of the H Share Offer.**

As disclosed in the Composite Document, the H Share Offer Price is HK\$4.56 in cash for each H Share. HEG will not increase the H Share Offer Price.

ACCEPTANCE OF THE H SHARE OFFER

Queries from the Independent Shareholders have been received recently in relation to the acceptance of the H Share Offer. For the purpose of drawing the attention of the Independent Shareholders who have not yet accepted the H Share Offer (or who have withdrawn their acceptances pursuant to Rule 17 of the Takeovers Code) and wish to accept the H Share Offer, please follow the instructions set out in Appendix I to the Composite Document and deliver the duly completed Form of Acceptance to the Registrar as soon as practicable. Beneficial owners of H Shares who hold their H Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant, and have not yet accepted the H Share Offer and wish to do so, please cause instructions being made to CCASS or your broker as soon as practicable, and in any event **no later than 4:00 p.m. on Friday, 19 July 2019.**

Beneficial owners of H Shares who hold their H Shares in CCASS indirectly via a broker or custodian participant and have tendered the duly completed Form of Acceptance to your broker or custodian participant, please request your broker or custodian participant to pass the duly completed Form of Acceptance to CCASS and/or the Registrar immediately.

So far as HEG and HEC are aware, trades reported to or effected on the Stock Exchange are cleared and settled by CCASS on two days after the trade day (that is,

on a T+2 basis)^{Note}. Given the time required for clearing and settling trades reported to or effected on the Stock Exchange by CCASS, potential investors who wish to purchase the H Shares and/or accept the H Share Offer are reminded to seek independent advice on the timing requirements for causing instructions to be made to CCASS for purchasing the H Shares and/or the acceptance of the H Share Offer.

For the avoidance of doubt, for the Independent Shareholder(s) who has/have withdrawn his/her/its/their acceptance of the H Share Offer on or after 11 June 2019, you are also entitled to accept the H Share Offer again on any date on or before 19 July 2019. Please follow the instructions set out in Appendix I to the Composite Document and deliver the duly completed Form of Acceptance to the Registrar as soon as practicable.

The Form of Acceptance, together with the fill-in instructions, are available for download via HEC's website (<http://www.hpec.com/>) or the Stock Exchange's website (<https://www1.hkexnews.hk/search/titlesearch.xhtml>).

The download link for the Form of Acceptance in HEC's website is as follows: <http://www.hpec.com/admin/images/file/20190320080133.pdf>

The download link for the Form of Acceptance in the Stock Exchange's website is as follows:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0320/ltn20190320073.pdf>

WARNING

The Independent Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer becomes unconditional and the H Shares are delisted from the Stock Exchange, and assuming the Merger does not proceed due to non-fulfilment of Merger Conditions (d) and/or (e), this will result in the Independent Shareholders holding securities that are not listed on the Stock Exchange. In addition, HEC may or may not continue to be subject to the Takeovers Code after the completion of the H Share Offer depending on whether HEC remains as a public company thereafter.

The H Share Offer is conditional upon the satisfaction or (where applicable) waiver of the Conditions and the Merger is conditional upon the satisfaction or (where applicable) waiver of the Merger Conditions as described in the Composite Document in all aspects. Accordingly, the H Share Offer may or may not become unconditional and the issue of this joint announcement does not imply that the H Share Offer or the Delisting will be completed. As the Merger

Note: https://www.hkex.com.hk/Services/Clearing/Securities/Overview/Clearing-Services?sc_lang=en

Conditions (in respect of the Merger) are different from the Conditions (in respect of the H Share Offer), shareholders and potential investors of HEC should be aware that even following the successful completion of the H Share Offer and the Delisting, there is no certainty that the Merger will proceed. Shareholders and/or potential investors of HEC should therefore exercise caution when dealing in the securities of HEC (including the H Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

On behalf of the board of
Harbin Electric Corporation Co., Ltd.
(哈爾濱電氣集團有限公司)
Si Ze-fu
Chairman

On behalf of the board of
Harbin Electric Company Limited
(哈爾濱電氣股份有限公司)
Zhang Ying-jian
Executive Director

Harbin, the PRC, 12 July 2019

As at the date of this joint announcement, the HEG Board comprises: Mr. Si Ze-fu, Mr. Wu Wei-zhang, Mr. Sun Zhiyong and Mr. Chi Ming.

The directors of HEG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to HEC) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the HEC Board) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the HEC Board comprises: Mr. Si Ze-fu, Mr. Wu Wei-zhang, Mr. Zhang Ying-jian and Mr. Song Shi-qi as the executive directors; and Mr. Zhu Hong-jie, Mr. Yu Wen-xing, Mr. Hu Jian-min and Mr. Tian Min as the independent non-executive directors.

The directors of HEC jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to HEG) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the HEG Board) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.