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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**

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; and (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**”) in relation to 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.

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) Friday, 19 July 2019; or (ii) the date when the Acceptance Condition is fulfilled, whichever is earlier.**

For the avoidance of doubt, once the remaining outstanding Conditions of the H Share Offer, being the Acceptance Condition together with Conditions (d) to (f) of the H Share Offer, are fulfilled (or waived, as applicable), the H Share Offer will become unconditional. HEG is not aware of any events that would lead to Conditions (d) to (f) of the H Share Offer not being fulfilled. HEG also reserves the right to waive Conditions (e) and (f) of the H Share Offer.

The Independent Shareholders are advised to refer to the Composite Document and the Form of Acceptance for details of the acceptance procedures if they wish to accept the H Share Offer.

ACCEPTOR'S RIGHT TO WITHDRAW THE ACCEPTANCE OF THE H SHARE OFFER

As set out in the Composite Document, acceptance of the H Share Offer tendered by the HEC H Shareholders shall be irrevocable and cannot be withdrawn, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the H Share Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the first Closing Date (the first Closing Date being 20 May 2019) (the “**First Closing Date**”) if the H Share Offer has not by then become unconditional as to acceptances.

Accordingly, if the H Share Offer has not become unconditional as to acceptances on or before Monday, 10 June 2019 (being the 21st day after the First Closing Date), the HEC H Shareholder(s) who has/have tendered acceptance(s) of the H Share Offer are entitled to withdraw his/her/its acceptance from Tuesday, 11 June 2019 until such time as the H Share Offer becomes or is declared unconditional as to acceptances. For details, please refer to Appendix I to the Composite Document.

Further joint announcement(s) will be issued by HEC and HEG upon the fulfilment of the Acceptance Condition.

HELPLINE

If the Independent Shareholders have any questions concerning administrative matters, including the acceptance of the H Share Offer, please call +852 2862 8647. This helpline is managed by an external service provider, Hong Kong Registrars

Limited, engaged by HEG and will not provide any information more than what has been disclosed in the Composite Document. This helpline will only provide information on administrative matters (including the acceptance of the H Share Offer) and cannot and will not provide advice on the merits of the H Share Offer, the Delisting and/or the Merger or give any financial or legal advice, and will not solicit any acceptance of the H Share Offer.

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 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, 22 May 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.