

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 entered into the Equity Cooperation Agreement with Tianjin Lingang on 23 December 2019, with the Company and Tianjin Lingang jointly practicing the investment of the Face Lease Company in the Company with a total investment 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 percentage of the Company's share capital (as defined in the Listing Rules) to be held by the Equity Cooperation Agreement exceeds 5% but falls below 25%, the Equity Cooperation Agreement and the investment of the Face Lease Company jointly with Tianjin Lingang constituted a connected transaction of the Company. Under the Listing Rules, a director of the Company is required to file a declaration with the Exchange in accordance with the provisions of Category 14 of the Listing Rules.

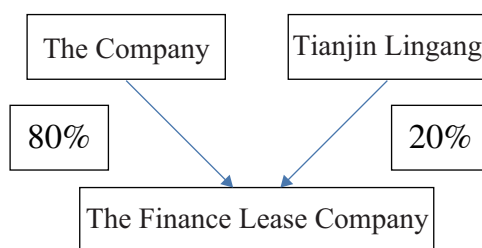
INTRODUCTION

The Board of Directors of the Company has entered into the Equity Cooperation Agreement with Tianjin Lingang on 23 December 2019, with the Company and Tianjin Lingang jointly practicing the investment of the Face Lease Company in the Company with a total investment 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 the Finance Lease Company is RMB500,000,000 (equivalent to a share price of HK\$556,086,928). The Company has contributed RMB400,000,000 (equivalent to a share price of HK\$444,869,542) and Tianjin Lingang has contributed RMB100,000,000 (equivalent to a share price of HK\$111,217,386) capital. In accordance with the Finance Lease Company's Memorandum of Association, the dividend distribution method is determined by the Company and Tianjin Lingang based on their respective shares held in the Finance Lease Company subject to the relevant laws.

The attached flow chart of the Finance Lease Company is as follows:



PRINCIPAL TERMS OF THE EQUITY COOPERATION AGREEMENT

The terms of the Equity Cooperation Agreement, the attached flow chart are as follows:

1. Date

23 December 2019

2. Parties

() The Company ; and

() Tianjin Lingang.

The best effort, first and foremost effect of the Finance Lease Company's shareholding agreement, as at the date of the agreement, Tianjin Lingang's shareholding percentage is 20% and the Finance Lease Company's shareholding percentage is 80% (as defined in the Listing Rules).

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 t 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 t 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 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 e C P r a a d T a j L g a g , i a g t a c c i t e e i P r a t e d c a i a e . e P r e i f t 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 t e P r i t f P r i e e g t a t d a t e f t e F a c e L e a e C P r a , a d , a c c d g t i t e b . e e e d , f . f f t 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 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 t 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 t 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 t 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) of the Board of Directors of the Finance Lease Company as set out in the Memorandum of Association and the Articles of Association of the Finance Lease Company. The powers of the Board of Directors shall be exercised in accordance with the Memorandum of Association, the Articles of Association, and the Finance Lease Company's bye-laws.

The board of directors of the Finance Lease Company shall also exercise the powers of the Board of Directors of the Finance Lease Company as set out in the Memorandum of Association and the Articles of Association of the Finance Lease Company. The powers of the Board of Directors shall be exercised in accordance with the Memorandum of Association, the Articles of Association, and the Finance Lease Company's bye-laws.

The Finance Lease Company shall have a Board of Directors, comprising the members of the Board of Directors of the Finance Lease Company as set out in the Memorandum of Association and the Articles of Association of the Finance Lease Company. Each member of the Board of Directors shall be appointed in accordance with the Memorandum of Association, the Articles of Association, and the Finance Lease Company's bye-laws.

The powers of the Finance Lease Company shall be exercised by the Board of Directors of the Finance Lease Company. The powers of the Finance Lease Company shall be exercised in accordance with the Memorandum of Association, the Articles of Association, and the Finance Lease Company's bye-laws.

All the powers of the Finance Lease Company shall be exercised by the Board of Directors of the Finance Lease Company. The powers of the Finance Lease Company shall be exercised in accordance with the Memorandum of Association, the Articles of Association, and the Finance Lease Company's bye-laws.

7. Profit distribution

In accordance with the Finance Lease Company's Memorandum of Association, the Finance Lease Company shall distribute its profits in accordance with the Finance Lease Company's Memorandum of Association, the Articles of Association, and the Finance Lease Company's bye-laws.

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. h. r. t. 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. i. 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. t. d. d. a. t. e. t. a. t. i. 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. t. 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. t. 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. - e. h. r. t. 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. t. 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. 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. t. e. d. c. t. .

3. The Company's share capital is not listed, but the company is a public company under the Securities and Futures Ordinance, and the company is a public company under the Securities and Futures Ordinance. The company is a public company under the Securities and Futures Ordinance.

The Board of Directors of the Company is not listed, but the company is a public company under the Securities and Futures Ordinance, and the company is a public company under the Securities and Futures Ordinance.

INFORMATION ABOUT THE COMPANY AND TIANJIN LINGANG

The Company is a public company under the Securities and Futures Ordinance, and the company is a public company under the Securities and Futures Ordinance. The company is a public company under the Securities and Futures Ordinance, and the company is a public company under the Securities and Futures Ordinance.

Tianjin Lingang is a state-owned enterprise established by the State-owned Assets Supervision and Administration Commission of the State-owned Assets Administration Commission, Tianjin, and the company is a public company under the Securities and Futures Ordinance, and the company is a public company under the Securities and Futures Ordinance.

IMPLICATIONS UNDER THE LISTING RULES

The company's share capital is not listed (as defined in the Listing Rules) and the company's share capital is not listed (as defined in the Listing Rules) and the company's share capital is not listed (as defined in the Listing Rules). The company's share capital is not listed (as defined in the Listing Rules) and the company's share capital is not listed (as defined in the Listing Rules).

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 listed on the Shanghai Stock Exchange;

Entity Credit Agreement means the Entity 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;

HK SFC means the Hong Kong Securities and Futures Commission of the PRC;

Listed Rule means the Rules Governing the Listing of Securities of the Stock Exchange;

PRC means the People's Republic of China;

Schedule () means Schedule () of the Company;

Stock Exchange means the Stock 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 ., L i d . * (天 津 臨 港 投 資 控 股 有 限 公 司);

R M B

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 r . 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 .