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哈尔滨电气股份有限公司

HARBIN ELECTRIC COMPANY LIMITED

(incorporated in the People's Republic of China with limited liability)

(Stock Code: 1133)

**VOLUNTARY ANNOUNCEMENT —
PROGRESS OF THE ACQUISITION OF
EQUITY INTEREST IN THE FINANCE COMPANY AND
FINANCIAL CONTRIBUTION**

Reference is made to the Connected Transaction — Acquisition of Equity Interest in the Finance Company announcement made by Harbin Electric Company Limited (the “Company”) on 26 June 2013. On 9 December 2013, the acquisition of the 42% equity interest in HE Finance Company Limited (the “Finance Company”) held by Harbin Electric Corporation (“Harbin Electric”) and the 4% equity interest in the Finance Company held by Jiamusi Electric Machine Company Limited (“Jiamusi”) by the Company and a subsidiary (the “Group”), and the increase of the registered capital of the Finance Company were completed.

ACQUISITION OF EQUITY INTEREST IN THE FINANCE COMPANY

On 26 June 2013, the Board of the Company has reviewed and approved the acquisition plan, by the Group, of the 42% equity interest in the Finance Company held by Harbin Electric and the 4% equity interest in the Finance Company held by Jiamusi respectively, and the subsequent contribution to be made by the shareholders of the Finance Company on a pro rata basis. Upon completion of the acquisition, the Group will hold 91% equity interest in the Finance Company and Harbin Electric will hold the remaining 9% equity interest in the Finance Company. Subsequently, shareholders of the Finance Company will further contribute to the Finance Company in proportion to their respective shareholdings thereby increasing the registered capital of the Finance Company from RMB300 million to RMB1.5 billion.

Harbin Electric is the controlling shareholder of the Company. Jiamusi is a subsidiary of Harbin Electric, and a connected person of the Company under the Listing Rules. As such, the acquisition of the equity interests in the Finance Company respectively held by Harbin Electric and Jiamusi constitutes a connected transaction of the Company under the Listing Rules.

The Company hereby announce that the acquisition of the equity interests in the Finance Company respectively held by Harbin Electric and Jiamusi and the pro rata contribution have been approved by CBRC. The shareholders have signed the equity transfer agreement and completed the equity transaction. The Finance Company completed the procedures for the change of business registration on 9 December 2013. As stated in the Connected Transaction — Acquisition of Equity Interest in the Finance Company announcement made by the Company on 26 June 2013, details of the acquisition of equity interest in the Finance Company and the pro rata contribution, including the fundamentals of the Finance Company, proportion of the acquisition of equity interest and the consideration for the acquisition and contribution are consistent with those stated in the announcement.

DEFINITION

In this announcement, unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those used in the Connected Transaction — Acquisition of Equity Interest in the Finance Company announcement made by the Company on 26 June 2013.

By order of the Board
Harbin Electric Company Limited
Gao Xu-guang
Company Secretary

Harbin, PRC, 10 December 2013

As at the date of this announcement, the executive directors of the Company are Mr. Wu Wei-zhang, Mr. Zhang Ying-jian, Mr. Song Shi-qi and Mr. Shang Zhong-fu; the non-executive directors of the Company are Mr. Gong Jing-kun and Mr. Zou Lei; and the independent non-executive directors of the Company are Mr. Sun Chang-ji, Mr. Fan Fu-chun, Mr. Jia Cheng-bing, Mr. Yu Bo and Mr. Liu Deng-qing.