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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)

公告
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Reference is made to the announcement (the “**Announcement**”) issued by Harbin Electric Company Limited (the “**Company**”) on 24 December 2019 in relation to the Products and Services Framework Agreement entered into between the Company and Harbin Electric Corporation Limited. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board hereby provides further information in relation to the entering into the Products and Services Framework Agreement:

Pursuant to the Announcement, the annual caps in respect of the transactions contemplated under the Products and Services Framework Agreement between the Group and the Unlisted Harbin Electric Group are determined based on the business development need of the Group, actual transaction amounts of each transaction under the Original Products and Services Framework Agreement for the past three years and the service demand from the Group and the Unlisted Harbin Electric Group, among which:

1. **Products and Services Framework Agreement**

The transaction caps in respect of the sale of products by the Group to the Unlisted Harbin Electric Group are determined based on the business development need of the Group and the Unlisted Harbin Electric Group. In the future three years, the Unlisted Harbin Electric Group is expected to purchase industrial raw materials of approximately RMB150,000,000 from the Group based on its industrial development need. Such transactions are new transactions that have not occurred in the past three years. Therefore, the transaction amounts of the sale of products by the Group to the Unlisted Harbin Electric Group is expected to increase significantly compared to the past three years. The Group also generated revenue from the sale of relevant products to the Unlisted Harbin Electric Group.

2. 本公司向哈尔滨电气集团采购产品，其交易上限由集团的业务发展需要及哈尔滨电气集团的业务发展状况决定。目前，哈尔滨电气集团已减少某些业务，与集团提供产品相关的业务。集团向哈尔滨电气集团采购产品的需要已相应减少。

The transaction caps in respect of the purchase of products by the Group from the Unlisted Harbin Electric Group are determined based on the business development need of the Group and the relevant business development status of Unlisted Harbin Electric Group. Currently, the Unlisted Harbin Electric Group has reduced certain business in relation to the provision of products to the Group under the Products and Services Framework Agreement. The need of purchase of products by the Group from the Unlisted Harbin Electric Group has decreased accordingly.

3. 本公司向哈尔滨电气集团提供服务，其交易上限由集团过去三年向哈尔滨电气集团提供服务的交易上限决定。

As the need of the provision of services by the Group to the Unlisted Harbin Electric Group in the future three years is expected to be similar to the past three years, the transaction caps in respect of the provision of services by the Group to the Unlisted Harbin Electric Group are determined based on the transaction caps in the past three years under the Original Products and Services Framework Agreement.

4. 哈尔滨电气集团向本公司提供服务，其交易上限由集团过去三年向哈尔滨电气集团提供服务的交易上限决定。

As the need of the provision of services by the Unlisted Harbin Electric Group to the Group in the future three years is expected to be similar to the past three years, the transaction caps in respect of the provision of services by the Unlisted Harbin Electric Group to the Group are determined based on the transaction caps in the past three years under the Original Products and Services Framework Agreement.

By Order of the Board
哈尔滨电气集团
Chairman

Harbin, PRC
15 January 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Si Ze-fu, Mr. Wu Wei-zhang and Mr. Zhang Ying-jian; and the Independent Non-executive Directors of the Company are Mr. Zhu Hong-jie, Mr. Yu Wen-xing, Mr. Hu Jian-min and Mr. Tian Min.