



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)

(S c C de: 1133)

DISCLOSEABLE TRANSACTION ENTERING INTO THE INVESTMENT AGREEMENT OF ZESHENG ENVIRONMENTAL PROTECTION COMPANY BY BOILER COMPANY

BOILER COMPANY ENTERING INTO THE INVESTMENT AGREEMENT OF ZESHENG ENVIRONMENTAL PROTECTION COMPANY

On September 9, 2021, the Board of Directors of Harbin Electric Company Limited (the "Company") has approved the Investment Agreement between the Company and Zesheng Environmental Protection Company (the "Zesheng Company") for the investment of the Zesheng Company. The investment amount is RMB 120 million.

The investment amount of RMB 40 million is accounted for 50.42% of the total investment amount of RMB 160 million (including the investment amount of RMB 190.2588 million).

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IMPLICATIONS UNDER THE LISTING RULES

According to the Listing Rules, the investment amount of RMB 40 million is 5% of the Company's net assets, and the investment amount of RMB 160 million is 25% of the Company's net assets.

INTRODUCTION

This Investment Agreement ("Investment Agreement") is made and entered into as of the 9th day of September, 2021, by and between Zesheng Environmental Protection Company ("Zesheng"), a company duly organized and existing under the laws of the People's Republic of China, and Evershine Investment Management Limited ("Evershine"), a company duly organized and existing under the laws of the Cayman Islands. The parties are collectively referred to as the "Parties" and individually as a "Party".

Evershine has agreed to invest in Zesheng a total amount of 120 million US Dollars ("USD") in cash, in two tranches. The first tranche of 40 million USD shall be paid within 160 business days (excluding public holidays) after the date of the signing of this Investment Agreement. The second tranche of 80 million USD shall be paid within 160 business days (excluding public holidays) after the date of the signing of this Investment Agreement. The total investment amount is \$190.2588 million USD.

PRINCIPAL TERMS OF THE INVESTMENT AGREEMENT OF ZESHENG ENVIRONMENTAL PROTECTION COMPANY

The principal terms of the Investment Agreement are as follows:

1. Date

9th September, 2021

2. Parties

- (-) Zesheng Environmental Protection Company
- (-) Evershine Investment Management Limited
- (-) Zesheng Environmental Protection Company
- (-) Evershine Investment Management Limited

This Investment Agreement is made and entered into as of the 9th day of September, 2021, by and between Zesheng Environmental Protection Company ("Zesheng"), a company duly organized and existing under the laws of the People's Republic of China, and Evershine Investment Management Limited ("Evershine"), a company duly organized and existing under the laws of the Cayman Islands. The parties are collectively referred to as the "Parties" and individually as a "Party".

3. Investment plan and price

120
E
40 E
160
(\$190.2588).

50.42%
E E

4. Payment method

100 E 15
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10 E 15
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10 E 15
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15 2021,
40 E

5. The governance structure of Zesheng Environmental Protection Company after the Investment

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6. Profit distribution

... , E ...

7. Equity transfer

... , E ...

... , E ...

... , E ...

8. Anti-dilution and preemptive right

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DETERMINATION FOR THE CONSIDERATION OF TRANSACTION

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(Heilongjiang
Guangrunyuan-) (. . 30 2020) (Benchmark
Date-) (Appraisal-), 31
2020.

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50 T
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162.0264 (Appraised Value-). T
3.24. T
E
120 50.42%
E

E
14.61
T 15
14.60
14.62

REASONS FOR AND BENEFITS OF THE INVESTMENT

The investment in the target company is expected to bring significant benefits to the Company, including but not limited to the following aspects:

1. **Market Expansion:** The target company operates in a growing market, and its investment will help the Company expand its market reach and increase its sales volume.

2. **Technology Innovation:** The target company possesses advanced technology and R&D capabilities, which will enhance the Company's technological strength and improve its product quality.

3. **Operational Efficiency:** The target company has a mature operational model and management experience, which will help the Company optimize its internal operations and improve its operational efficiency.

4. **Resource Synergy:** The investment will achieve resource synergy between the Company and the target company, including but not limited to the sharing of information, technology, and management experience.

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Information about the Company

The Company is a leading enterprise in the industry, with a long history and a strong market position. It has a complete business system and a mature operational model. The Company's investment in the target company is expected to bring significant benefits to the Company, including but not limited to the following aspects:

Information about Boiler Company

The target company, Boiler Company, is a leading enterprise in the boiler industry, with a long history and a strong market position. Its investment in the target company is expected to bring significant benefits to the Company, including but not limited to the following aspects:

1. **Market Expansion:** The target company operates in a growing market, and its investment will help the Company expand its market reach and increase its sales volume.

2. **Technology Innovation:** The target company possesses advanced technology and R&D capabilities, which will enhance the Company's technological strength and improve its product quality.

3. **Operational Efficiency:** The target company has a mature operational model and management experience, which will help the Company optimize its internal operations and improve its operational efficiency.

4. **Resource Synergy:** The investment will achieve resource synergy between the Company and the target company, including but not limited to the sharing of information, technology, and management experience.

Information about Longyu Hongda and Meihekou State-owned Assets

The target company, Longyu Hongda and Meihekou State-owned Assets, is a leading enterprise in the state-owned assets industry, with a long history and a strong market position. Its investment in the target company is expected to bring significant benefits to the Company, including but not limited to the following aspects:

1. **Market Expansion:** The target company operates in a growing market, and its investment will help the Company expand its market reach and increase its sales volume.

2. **Technology Innovation:** The target company possesses advanced technology and R&D capabilities, which will enhance the Company's technological strength and improve its product quality.

3. **Operational Efficiency:** The target company has a mature operational model and management experience, which will help the Company optimize its internal operations and improve its operational efficiency.

4. **Resource Synergy:** The investment will achieve resource synergy between the Company and the target company, including but not limited to the sharing of information, technology, and management experience.

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Information about Zesheng Environmental Protection Company

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Shareholder Name	Equity Structure before the Investment	Equity Structure after the Investment
...	90%	44.62%
...	10%	4.96%
		<u>50.42%</u>
T ...	<u>100%</u>	<u>100%</u>

... E ...
 ... 50 ...
 E ... 100 ... E ...

31	2019	31	2020	E
			110,170,706.96	171,744,719.36,

TOTAL ASSETS (including cash and cash equivalents) (RMB million)

2020: 31

	For the year ended 31 December 2019 ()	For the year ended 31 December 2020 ()
2019	0	0
2020	0	0

2018: 2018. 2019. 2020. 2020.

IMPLICATIONS UNDER THE LISTING RULES

5% 25%, 14.

DEFINITIONS

2018. 2019. 2020.

2018. 2019. 2020.

2018. 2019. 2020.

2018. 2019. 2020. E.

2018. 2019. 2020. E.

2018. 2019. 2020. E.

1. 本公司之註冊資本為人民幣1,000,000,000元，每股面值為人民幣1元。

2. 本公司之總發行量為1,000,000,000股，每股面值為人民幣1元。

3. 本公司之總發行量為1,000,000,000股，每股面值為人民幣1元。

4. 本公司之總發行量為1,000,000,000股，每股面值為人民幣1元。

5. 本公司之總發行量為1,000,000,000股，每股面值為人民幣1元。

6. 本公司之總發行量為1,000,000,000股，每股面值為人民幣1元。

7. 本公司之總發行量為1,000,000,000股，每股面值為人民幣1元。

8. 本公司之總發行量為1,000,000,000股，每股面值為人民幣1元。

9. 本公司之總發行量為1,000,000,000股，每股面值為人民幣1元。

10. 本公司之總發行量為1,000,000,000股，每股面值為人民幣1元。

* 吉林省澤盛環保工程有限公司

Harbin Electric Company Limited
Ai Li-song

9 2021