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Harbin Electric Group Corporation Limited
(哈爾濱電氣集團有限公司)

(A wholly state-owned company incorporated in the People's Republic of China)



Reference is made to (i) the announcement jointly issued by Harbin Electric Corporation Co., Ltd. (“ ”) and Harbin Electric Company Limited (“ C” or the “C p ”) dated 24 December 2018 (the “ tA u c t”) 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 “ ff ”); the proposed voluntary withdrawal of listing of the H Shares of HEC (the “D t g”); and the proposed merger by absorption of HEC by HEG (the “ g ”); (ii) the announcements jointly issued by HEG and HEC dated 14 January 2019 and 21 February 2019, respectively in relation to the delay in despatch of the composite document (the “C p t D cu t”); (iii) the announcement jointly issued by HEG and HEC dated 20 March 2019 in relation to the despatch of the Composite Document; (iv) the Composite Document jointly issued by HEG and HEC, the notice of the Extraordinary General Meeting and the notice of the H Share Class Meeting, each dated 20 March 2019; and (v) the voluntary announcement jointly issued by HEG and HEC dated 26 April 2019 in relation to the notice of the Extraordinary General Meeting and the notice of the H Share Class Meeting. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

**R X RA RD NARY N RA N AND
AR C A N**

The HEG Board and the HEC Board are pleased to announce that (i) the special resolution to approve the Merger by the HEC Shareholders was duly passed by way of poll at the Extraordinary General Meeting held on 7 May 2019; and (ii) the special resolutions to approve the Delisting and the Merger respectively by the Independent Shareholders were duly passed by way of poll at the H Share Class Meeting held on 7 May 2019.

The Extraordinary General Meeting and the H Share Class Meeting were held at the conference room of HEC at 1399 Chuangxinyi Road, Songbei District, Harbin, Heilongjiang Province, the PRC at 9:30 a.m. and 10:00 a.m., respectively, on Tuesday, 7 May 2019.

In compliance with the requirements of the Listing Rules and Rule 2.9 of the Takeovers Code, Mr. Chen Qingsong of BDO China Shu Lun Pan Certified Public Accountants LLP, the auditor of HEC, acted as the scrutineer for the vote-taking at the Extraordinary General Meeting and the H Share Class Meeting, respectively.

The poll results in respect of the Extraordinary General Meeting and the H Share Class Meeting are as follows:

(i) **p u t p e t f t t g**

N .	p c R ut	V t	V t
		N . f	Ag t (%) (Note 2)
1	<p>THAT subject to the passing of this same resolution by the Independent Shareholders in H Share Class Meeting, as approved by way of poll by at least 75% of the votes attaching to the H Shares held by the Independent Shareholders that are cast either in person or by proxy at the H Share Class Meeting and with the number of votes cast against the resolution by the Independent Shareholders being not more than 10% of the votes attaching to all the H Shares held by the Independent Shareholders:</p> <p>(a) the Merger Agreement, the execution of the Merger Agreement by the Company, and the Merger contemplated thereunder be and are hereby approved, ratified and confirmed; and</p> <p>(b) the board of directors of the Company, and/or unless the board of directors of the Company determines otherwise, any two directors of the Company be and are hereby authorised to take such other action and execute such documents or deeds as he may consider necessary or desirable for the purpose of implementing the Merger and all other transactions contemplated by the Merger Agreement including but not limited to:</p>	<p>1,360,787,427 99.55% (Note 1)</p>	<p>6,142,000 0.45% (Note 1)</p>

	<p>(i) establishing a specific proposal to implement the Merger based on the actual circumstances, including but not limited to determining the specific time of the Merger and the Merger Price;</p> <p>(ii) carrying out all relevant work in relation to the Merger on behalf of the Company, drafting, preparing, amending, signing, delivering and performing all agreements, announcements, circulars to shareholders and other documentation regarding the Merger and making appropriate disclosure;</p> <p>(iii) signing and submitting any report or document to any government regulatory authorities;</p> <p>(iv) unless the board of directors of the Company determines otherwise, selecting and appointing qualified professional parties, including but not limited to parties involved in the Merger such as financial advisers, lawyers etc.; and</p> <p>(v) carrying out all necessary actions, resolving and processing other matters in relation to the Merger on behalf of the Company as permitted by relevant laws (including but not limited to proceeding with the procedures for the cancellation of the industrial and commercial registration of the Company).</p>		
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Notes:

1. Based on the total number of the votes attaching to all the HEC Shares held by the HEC Shareholders cast in person or by proxy at the Extraordinary General Meeting.

2. The percentage figures included in the poll results in respect of the Extraordinary General Meeting above have been subject to rounding adjustments.

As at the date of the Extraordinary General Meeting, the total number of issued HEC Shares is 1,706,523,000, comprising 1,030,952,000 Domestic Shares and 675,571,000 H Shares, which was the total number of HEC Shares entitling the holders to attend and vote for or against the resolution at the Extraordinary General Meeting.

There were no restrictions imposed on any HEC Shareholder to cast votes on the aforesaid resolution passed at the Extraordinary General Meeting. There was no HEC Share entitling the HEC Shareholder to attend and vote only against the resolution at the Extraordinary General Meeting or to abstain from voting.

The Extraordinary General Meeting was convened by the HEC Board and chaired by Mr. Si Ze-fu, an executive Director. HEC Shareholders and authorised proxies holding an aggregate of 1,366,929,427 HEC Shares, representing approximately 80.10% of the total issued share capital of HEC were present at the Extraordinary General Meeting.

With respect to the special resolution at the Extraordinary General Meeting, since more than two-thirds of the votes attaching to the HEC Shares held by the HEC Shareholders present in person or by proxy at the Extraordinary General Meeting were cast in favour of the resolution, the special resolution was passed by way of poll at the Extraordinary General Meeting in accordance with the requirements of the PRC Company Law and the Articles of HEC.

(ii) **put** **pro** **cept** **for** **C** **losing**

N .	p c R ut	V t	V t
		N . f	Ag t (%) (Note 3)
1	A :	284,008,378	2,494,549
	(a) subject to minimum valid acceptances of the H Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as HEG may, subject to the Takeovers Code decide) amounting to at least 90% of the H Shares in issue, the Delisting be and is hereby approved; and	99.13% (Note 1)	0.87% (Note 1)
		42.04% (Note 2)	0.37% (Note 2)

	<p>(b) the board of directors of the Company, and/or unless the board of directors of the Company determines otherwise, any two directors of the Company be and are hereby authorised to take such other action and execute such documents or deeds as he may consider necessary or desirable for the purpose of implementing the Delisting including but not limited to:</p> <ul style="list-style-type: none"> (i) establishing a specific proposal to implement the Delisting based on the actual circumstances, including but not limited to determining the specific time of the Delisting; (ii) carrying out all relevant work in relation to the Delisting on behalf of the Company, drafting, preparing, amending, signing, delivering and performing all agreements, announcements, circulars to shareholders and other documentation regarding the Delisting and making appropriate disclosure; (iii) signing and submitting any report or document to any government regulatory authorities; (iv) unless the board of directors of the Company determines otherwise, selecting and appointing qualified professional parties, including but not limited to parties involved in the Delisting such as financial advisers, lawyers etc.; and 		
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	(v) carrying out all necessary actions, resolving and processing other matters in relation to the Delisting on behalf of the Company as permitted by relevant laws.		
2	<p>A subject to the passing of this same resolution by the shareholders of the Company in the Extraordinary General Meeting by more than two-thirds of the votes attaching to the shares of the Company held by the shareholders of the Company that are cast either in person or by proxy at the Extraordinary General Meeting:</p> <p>(a) the Merger Agreement, the execution of the Merger Agreement by the Company, and the Merger contemplated thereunder be and are hereby approved, ratified and confirmed; and</p> <p>(b) the board of directors of the Company, and/or unless the board of directors of the Company determines otherwise, any two directors of the Company be and are hereby authorised to take such other action and execute such documents or deeds as he may consider necessary or desirable for the purpose of implementing the Merger and all other transactions contemplated by the Merger Agreement including but not limited to:</p> <p>(i) establishing a specific proposal to implement the Merger based on the actual circumstances, including but not limited to determining the specific time of the Merger and the Merger Price;</p>	<p>285,872,927</p> <p>99.80%</p> <p>(Note 1)</p> <p>42.32%</p> <p>(Note 2)</p>	<p>580,000</p> <p>0.20%</p> <p>(Note 1)</p> <p>0.09%</p> <p>(Note 2)</p>

	<p>(ii) carrying out all relevant work in relation to the Merger on behalf of the Company, drafting, preparing, amending, signing, delivering and performing all agreements, announcements, circulars to shareholders and other documentation regarding the Merger and making appropriate disclosure;</p> <p>(iii) signing and submitting any report or document to any government regulatory authorities;</p> <p>(iv) unless the board of directors of the Company determines otherwise, selecting and appointing qualified professional parties, including but not limited to parties involved in the Merger such as financial advisers, lawyers etc.; and</p> <p>(v) carrying out all necessary actions, to determine on and handle other specific matters in relation to the Merger on behalf of the Company as permitted by relevant laws (including but not limited to proceeding with the procedures for the cancellation of the industrial and commercial registration of the Company).</p>		
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Notes:

1. Based on the total number of the votes attaching to all the H Shares held by the Independent Shareholders cast in person or by proxy at the H Share Class Meeting.
2. Based on the total number of the votes attaching to all the H Shares held by the Independent Shareholders.

3. The percentage figures included in the poll results in respect of the H Share Class Meeting above have been subject to rounding adjustments.

The total number of H Shares entitling the Independent Shareholders to attend and vote for or against the resolutions at the H Share Class Meeting was 675,571,000 H Shares. HEG and the parties acting in concert with HEG were required to, and did, abstain from voting at the H Share Class Meeting in accordance with the Takeovers Code. There were no other restrictions imposed on any Independent Shareholders to cast votes on the aforesaid resolutions passed at the H Share Class Meeting.

There was no H Share entitling the Independent Shareholders to attend and vote only against the special resolutions at the H Share Class Meeting.

The H Share Class Meeting was convened by the HEC Board and chaired by Mr. Si Ze-fu, an executive Director. Independent Shareholders and authorised proxies holding an aggregate of 286,502,927 H Shares, representing approximately 42.41% of the total number of the votes attaching to all the H Shares held by the Independent Shareholders were present at the H Share Class Meeting.

With respect to the special resolutions at the H Share Class Meeting, since more than 75% of the votes attaching to the H Shares held by the Independent Shareholders present in person or by proxy at the H Share Class Meeting were cast in favour of resolutions and the number of votes cast against the resolutions amounted to not more than 10% of the votes attaching to all the H Shares held by the Independent Shareholders, the special resolutions were passed by way of poll at the H Share Class Meeting in accordance with the requirements of Rule 6.12 of the Listing Rules and Rule 2.2 of the Takeovers Code.

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The Independent Shareholders are reminded that the H Share Offer remains conditional on, among other things, minimum valid acceptances of the H Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on Monday, 20 May 2019 (or such later time or date as HEG may, subject to the Takeovers Code, decide) amounting to at least 90% of the H Shares in issue (the “**Acceptance Condition**”). Unless the Executive has granted a consent to extend the Closing Date pursuant to Rule 15.5 of the Takeover Code, if the Conditions (including but not limited to the Acceptance Condition) are not satisfied (or not waived, where applicable) on or before the Unconditional Date (that is, 20 May 2019), the H Share Offer will lapse. The Executive may or may not grant such consent.

As at the date of this joint announcement, Conditions (a), (c) and (g) have been fulfilled. The Acceptance Condition, together with Conditions (d) to (f) remain outstanding. HEG is not aware of any events that would lead to Conditions (d) to (f) not being fulfilled. HEG also reserves the right to waive Conditions (e) and (f).

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HEG and HEC will issue an announcement, stating whether the H Share Offer has been extended, has expired or has become or been declared unconditional (as to acceptances) by 7:00 p.m. on Monday, 20 May 2019.

W D R A W A N

Upon the H Share Offer becoming unconditional, HEC will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules. On the assumption that the H Share Offer becomes unconditional on or before Monday, 20 May 2019, it is currently expected that the voluntary withdrawal of listing of the H Shares from the Stock Exchange would happen at 9:00 a.m. on Wednesday, 19 June 2019, subject to the satisfaction of any conditions for the Delisting from the Stock Exchange, and receipt of any regulatory approvals required for such Delisting. HEC H Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the Delisting will become effective.

N R R D

The Independent Shareholders should note that, if the H Share Offer becomes or is declared unconditional on Monday, 20 May 2019 (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 28 days thereafter in compliance with the note to Rule 2.2 and Rule 15.3 of the Takeovers Code. At least 14 days' notice in writing must be given before the H Share Offer is closed to the Independent Shareholders who have not accepted the H Share Offer if the announcement to extend the H Share Offer does not state the next closing date. HEG reserves the right to extend the H Share Offer beyond this 28-day period.

**C V N R R AND AND N R R
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The Independent Shareholders are reminded that the effectiveness of the Merger is conditional upon the fulfilment (or waiver, as applicable) of the Merger Conditions, which include the completion of the H Share Offer and the Delisting.

As at the date of this announcement, Merger Conditions (a) to (c) have been fulfilled. Merger Conditions (d) to (f) remain outstanding. HEG also reserves the right to waive Merger Condition (e).

Accordingly, the Board of Directors of HEG has resolved to accept the offer of the HEG Board of Directors of HEG, and to approve the merger of HEG into HEG. The Board of Directors of HEG has also resolved to approve the merger of HEG into HEG. The Board of Directors of HEG has also resolved to approve the merger of HEG into HEG.

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On behalf of the board of
 HEG Board of Directors
 (哈爾濱電氣集團有限公司)
Z -fu
Chairman

On behalf of the board of
 HEG Board of Directors
 (哈爾濱電氣股份有限公司)
Z g Y g-
Executive Director

Harbin, the PRC, 7 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.

