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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)

哈 尔 滨 电 气 股 份 有 限 公 司
HARBIN ELECTRIC COMPANY LIMITED

This announcement is made by Harbin Electric Company Limited (the “Company”) on a voluntary basis to inform shareholders and potential investors of the Company about the latest business development of the Company.

The board of directors of the Company (the “Board”) hereby announces that Harbin Electric Machinery Co., Ltd.* (哈 尔 滨 电 机 有 限 公 司) (“Electric Machinery Company”), a wholly-owned subsidiary of the Company, proposed to introduce strategic investors (the “Strategic Investors”) by way of capital increase, share expansion and other means through public solicitation by listing on the assets and equity exchange and other forms. The relevant terms and scale of the Proposed Introduction of Strategic Investors will be determined with reference to market conditions. It is expected that upon implementation of the Proposed Introduction of Strategic Investors, the Company will remain as the controlling shareholder of Electric Machinery Company.

哈 尔 滨 电 机 有 限 公 司

Electric Machinery Company, a wholly-owned subsidiary of the Company, is a company incorporated in the PRC with limited liability with a registered capital of RMB709,236,880. Its main businesses are the manufacture of products such as water turbine generators, steam turbine generators and water turbines as well as related consultation, installation and commissioning and technical services, etc..

电 机 有 限 公 司 董 事 会 关 于 引 入 战 略 投 资 者 的 公 告 THE BOARD OF DIRECTORS OF ELECTRIC MACHINERY COMPANY LIMITED ANNOUNCEMENT ON THE INTRODUCTION OF STRATEGIC INVESTORS

The Proposed Introduction of Strategic Investors by Electric Machinery Company can diversify the shareholder structure of Electric Machinery Company, optimise corporate governance, expand capital strength, accelerate business development, promote transformation and upgrade, realise the complementary advantages of Electric Machinery Company and strategic investors, and enhance the development vitality of Electric Machinery Company.

The Board believes that the Proposed Introduction of Strategic Investors is in the interests of the Company and its shareholders as a whole.

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.

By Order of the Board
 Hu Jian-min
 Company Secretary

Harbin, the PRC
 31 August 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.

* For identification purposes only