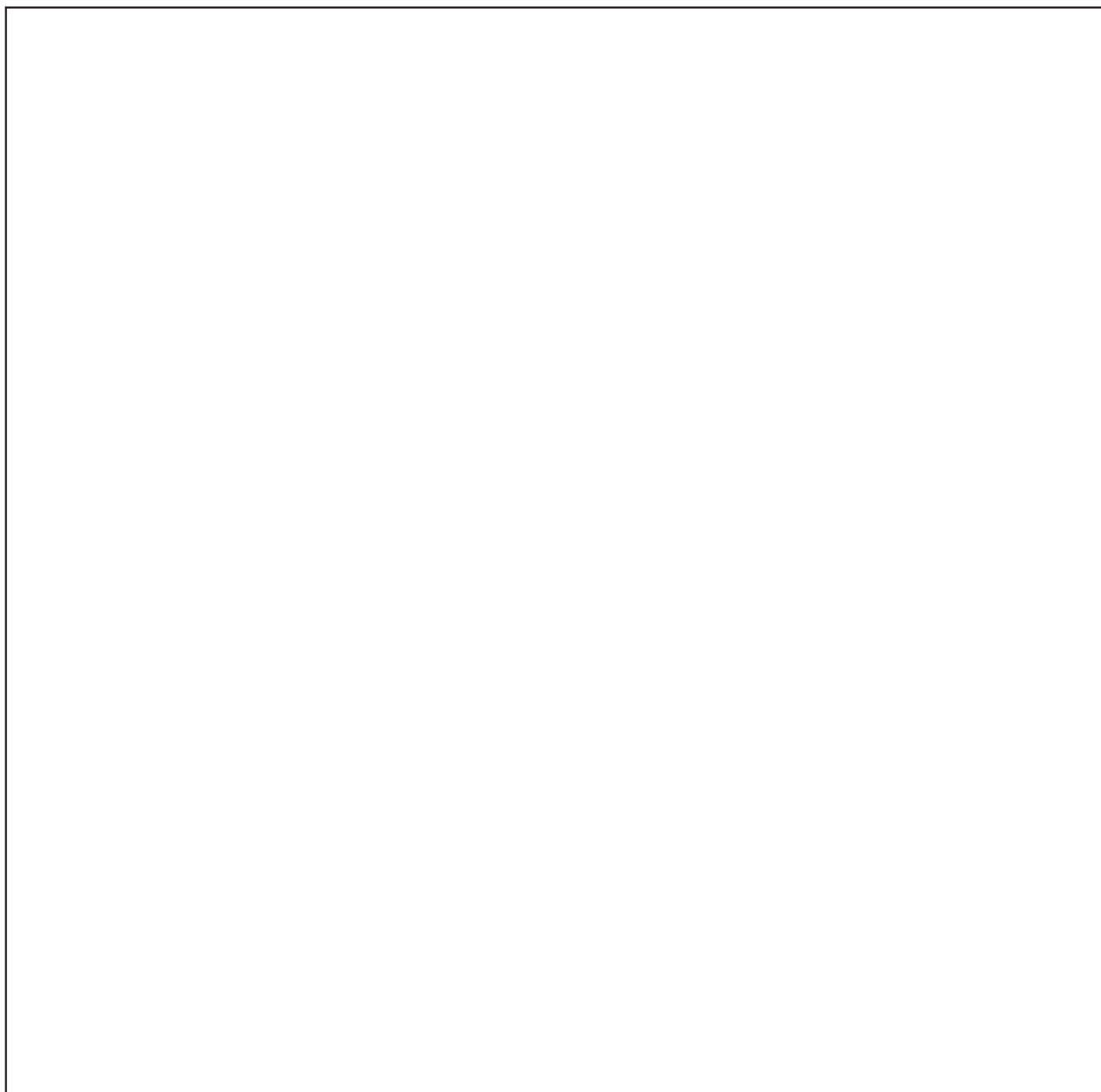


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THE MANAGEMENT ENTRUSTMENT AGREEMENT

On January 0, 6 the Company entered into the Management Entrustment Agreement with the Executive Director of the Company.

1. Effective date of the agreement

The Management Entrustment Agreement shall be effective from March 0, 6.

2. Subject of the management entrustment

The subject of the Management Entrustment Agreement is the Management Entrustment of the Executive Director of the Company.

3. Content of the management entrustment

The Management Entrustment Agreement covers the Management Entrustment of the Executive Director of the Company in the following areas: (1) Management Entrustment of the Company's business operations; (2) Management Entrustment of the Company's financial management; (3) Management Entrustment of the Company's human resources management; (4) Management Entrustment of the Company's technology development and innovation; (5) Management Entrustment of the Company's legal affairs; (6) Management Entrustment of the Company's information management; (7) Management Entrustment of the Company's risk management; (8) Management Entrustment of the Company's production safety; (9) Management Entrustment of the Company's environmental protection; (10) Management Entrustment of the Company's other affairs.

4. Term of the management entrustment

The Management Entrustment Agreement shall be valid for a period of 4 years.

6. Others

The Company and its subsidiaries are one of the largest manufacturers of power-generating equipment in the PRC. The products include a wide range of equipment for power generation, hydro-power equipment, nuclear power equipment, and energy conservation of power station projects.

Harbin Electric is the controlling shareholder of the Company and the pioneer enterprises in the research and development of use for power-generating equipment, large engines, power-driven equipment and export use for cooperation of equipment in the PRC.

The Directors of the Company include independent non-executive directors who are of the highest quality of connections.

• financial soundness

• entered the market through the ordinary course of business on non-competitive basis or otherwise and

• the interests of the Company and the shareholders are protected.

DEFINITIONS

In this prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the Board of Directors
“Company”	Harbin Electric Company Limited, a company incorporated in the PRC and listed on the Shanghai Stock Exchange
“controlling shareholder”	the person(s) named in the Articles
“Directors”	the directors of the Company
“Harbin Electric”	哈爾濱電氣集團公司 Harbin Electric Corporation, a state-owned enterprise and the controlling shareholder of the Company
“Listings Rules”	the Rules Governing the Listing of Securities on the Main Board of the Shanghai Stock Exchange
“Shanghai Exchange”	the Shanghai Exchange of Hong Kong Limited

“MB”