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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)

COMPLETION OF THE DOMESTIC SHARE SUBSCRIPTION

Reference is made to the circular dated 16 October 2017 issued by Harbin Electric Company Limited (the “**Company**”) in relation to, among other things, the connected transaction in respect of the proposed issue of new domestic shares under the specific mandate and the proposed amendments to the articles of association of the Company (the “**Circular**”), the notices of EGM and Class Meeting dated 16 October 2017 and the announcements of the Company dated 1 December 2017 in relation to the poll results of the EGM and the Class Meeting. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

The Board is pleased to announce that the conditions precedent under the Domestic Share Subscription Agreement have been satisfied and the Company has received the official registration certificate issued by China Securities Depository and Clearing Corporation Limited in respect of the equity interests of the Domestic Shares on 18 January 2018. Therefore, the Domestic Share Subscription has completed. As the Closing Price is not higher than the Initial Subscription Price, the Final Subscription Price is the same as the Initial Subscription Price, being HK\$4.56. Pursuant to the Domestic Share Subscription Agreement, 329,717,000 new Domestic Shares have been duly allotted and issued as fully paid to the Subscriber. Accordingly, immediately after the completion of the Domestic Shares Subscription, the registered and issued share capital of the Company was RMB1,706,523,000, which was divided into 675,571,000 H Shares and 1,030,952,000 Domestic Shares.

The shareholding structure of the Company immediately before and after completion of the Domestic Share Subscription are set out below.

Name of Shareholder	Share Class	Immediately before completion of the Domestic Share Subscription		Immediately after completion of the Domestic Share Subscription	
		No. of Shares held	Percentage of total issued Shares	No. of Shares held	Percentage of total issued Shares
Harbin Electric Corporation (哈爾濱電氣集團有限公司)	Domestic	701,235,000	50.93%	1,030,952,000	60.41%
H Shareholders	H Shares	<u>675,571,000</u>	<u>49.07%</u>	<u>675,571,000</u>	<u>39.59%</u>
Total		<u>1,376,806,000</u>	<u>100.00%</u>	<u>1,706,523,000</u>	<u>100.00%</u>

Note: The Chinese name of Harbin Electric Corporation (哈爾濱電氣集團公司), the controlling shareholder of the Company, has changed to 哈爾濱電氣集團有限公司 with effect from 14 December 2017. Its English name remains unchanged.

By Order of the Board
Harbin Electric Company Limited
Si Ze-fu
Chairman

Harbin, PRC, 18 January 2018

As at the date of this announcement, the executive Directors of the Company are Mr. Si Ze-fu, Mr. Wu Wei-zhang, Mr. Zhang Ying-jian and Mr. Song Shi-qi; and the independent non-executive Directors of the Company are Mr. Zhu Hong-jie, Mr. Yu Wen-xing and Mr. Hu Jian-min.