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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)*

## **NOTICE OF THE CLASS MEETING**

**NOTICE IS HEREBY GIVEN** that the Class Meeting (the “**Class Meeting**”) of Harbin Electric Company Limited (the “**Company**”) will be held at Conference Room of the Company located at 1399 Chuangxinyi Road, Songbei District, Harbin, Heilongjiang Province, PRC on Friday, 1 December 2017 at 9:20 a.m. (or immediately after the conclusion of the extraordinary general meeting (the “**EGM**”)) to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 16 October 2017 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

### **SPECIAL RESOLUTIONS**

**1. THAT:**

the Company be and is hereby approved to conditionally issue the Domestic Share to the Subscriber pursuant to the terms and conditions set out in the Domestic Share Subscription Agreement entered into between the Company and the Subscriber. The terms and conditions of the Domestic Share Subscription and the transaction contemplated thereunder are as follows:

**(1) Type of new Domestic Shares to be issued**

The shares to be issued are unlisted domestic ordinary shares, denominated in RMB, the nominal value of which is RMB1.00.

**(2) Price of new Domestic Shares to be issued**

- (i) The Initial Subscription Price is denominated in Hong Kong dollars, being HK\$4.56 per new Domestic Share.
- (ii) The Final Subscription Price is to be determined with reference to the Closing Price. In the event that the Closing Price is higher than the Initial Subscription Price, the Final Subscription Price shall be the same as the Closing Price subject to a maximum price of HK\$4.79 per new Domestic Share, being the Initial Subscription Price plus a premium of 5%. In the event that the Closing Price is not higher than the Initial Subscription Price, the Final Subscription Price shall be the same as the Initial Subscription Price.

**(3) Number of new Domestic Shares to be issued and total amount to be raised from the Domestic Share Subscription**

The Subscriber has agreed to subscribe in cash for new Domestic Shares at a total subscription price of approximately RMB1.27 billion. The number of new Domestic Shares to be subscribed is to be calculated by dividing RMB1.27 billion, after being exchanged into Hong Kong dollars based on the agreed exchange rate, by the Final Subscription Price and rounded down to the nearest thousand. The exact total subscription price is to be calculated by multiplying the number of new Domestic Shares to be subscribed by the Final Subscription Price.

For the purpose of calculating the number of new Domestic Shares to be subscribed and the exact total subscription price, exchange of Renminbi into Hong Kong dollars is to be calculated on the basis of the average middle exchange rates between Renminbi and Hong Kong dollars published by the People's Bank of China on the Reference Date and the four trading days immediately preceding.

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

Harbin, PRC, 16 October 2017

*Notes:*

**(1) VOTING ARRANGEMENTS**

The Subscriber will or will be required to abstain from voting on the resolutions to be proposed for approving the proposed Domestic Share Subscription and the Specific Mandate at the EGM.

**(2) REGISTRATION PROCEDURES FOR THE CLASS MEETING**

- i. H Shareholders of the Company shall note that pursuant to Article 44 of the Articles, the share register of the Company will be closed during the period from Wednesday, 1 November 2017 to Friday, 1 December 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify to attend and vote at the Class Meeting, all transfer documents, together with the relevant share certificates, should be lodged to the Company's H share registrar, Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Tuesday, 31 October 2017. Shareholders whose names appear on the register of H shareholders of the Company on Tuesday, 31 October 2017 shall be entitled to attend the Class Meeting to vote thereat.
- ii. Shareholders who intend to attend the Class Meeting are required to return the reply slip to the Company on or before Saturday, 11 November 2017. Please refer to the reply slip and the instruction thereon for details.

**(3) PROXY**

- i. Any H Shareholders entitled to attend and to vote at the Class Meeting shall be entitled to appoint a proxy who need not be a Shareholder, to attend and to vote on his or her behalf. A member who is the holder of two or more shares may appoint more than one proxy.
- ii. To be valid, the proxy forms for the use of Shareholders and, if such proxy is signed by a person on behalf of the appointer pursuant to a power of attorney or other authority, a notarised copy of that power of attorney or other authority must be delivered to the Company not less than 24 hours before the time scheduled for holding the Class Meeting or its adjourned meetings of the Company.
- iii. Holders of H Shares shall deliver the proxy form and, if such proxy is signed by a person on behalf of his appointer pursuant to a power of attorney or other authority, a notarially certified copy of the power of attorney or other authority and the reply slip to the Company's H share registrar, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- iv. Completion and return of the proxy form and the reply slip will not affect the right of the shareholders of the Company to attend and to vote at the Class Meeting in person. In such event, the form of proxy will be deemed to have been revoked.
- v. Shareholders or their proxies shall produce their identification documents (and form of proxy in case of proxies) when attending the Class Meeting.

**(4) MISCELLANEOUS**

The Class Meeting is expected to last for 20 minutes. Shareholders and their proxies attending the Class Meeting shall be responsible for the transportation and accommodation expenses on their own.

*As at the date of this notice, 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. Liu Deng-qing, Mr. Yu Wen-xing, Mr. Hu Jian-min and Mr. Zhu Hong-jie.*