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If you have sold or transferred all your shares in Harbin Electric Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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哈电集团
HARBIN ELECTRIC CORPORATION

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)

**GENERAL MANDATES
TO APPOINT A DIRECTOR TO FILL CASUAL VACANCY
AND
TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 2 to 4 of this circular.

A notice convening the 2015 annual general meeting (the "AGM") of Harbin Electric Company Limited (the "Company") to be held at Conference Room, 17th Floor, Block B, 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, the People's Republic of China on Friday, 27 May 2016 at 9:00 a.m. is set out on pages 5 to 6 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at Block B, 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, the People's Republic of China as soon as possible and in any event not less than twenty-four (24) hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof, if you so wish.

6 April 2016

CONTENTS

DEFINITIONS	1
LETTER FROM THE BOARD	2
NOTICE OF AGM	5

DEFINITIONS

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

“associate(s)”	the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Harbin Electric Company Limited, a company incorporated in the PRC with limited liability, the H-shares of which are listed on the Stock Exchange;
“Director(s)”	director(s) of the Company;
“AGM”	the annual general meeting of the Company to be held at Conference Room, 17th Floor, Block B, 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, the People’s Republic of China on Friday, 27 May 2016 at 9:00 a.m.;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Articles of Association”	the existing articles of association of the Company;
“Auditor”	the auditor of the Company.

LETTER FROM THE BOARD



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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)

Executive Directors:

Mr. Wu Wei-zhang
Mr. Zhang Ying-jian
Mr. Song Shi-qi

Registered Office and headquarters:

Block B, No. 39 Sandadongli Road
Xiangfang District
Harbin, Heilongjiang Province
People's Republic of China

Non-Executive Director:

Mr. Zou Lei

Principal Place of Business in Hong Kong:

Room 1601, 16th Floor
LHT Tower
31 Queen's Road Central
Hong Kong

Independent Non-Executive Directors:

Mr. Yu Bo
Mr. Liu Deng-qing
Mr. Yu Wen-xing

6 April 2016

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO APPOINT A DIRECTOR TO FILL CASUAL VACANCY
AND
TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to give you the notice convening the 2015 AGM of the Company at which certain resolutions will be proposed for Shareholders to consider and, if thought fit, approve, among other things, (i) to authorize the Board to appoint a director to fill casual vacancy; and (ii) to grant the Board the share issue mandate.

II. GENERAL MANDATE TO APPOINT A DIRECTOR TO FILL CASUAL VACANCY

At the AGM, the Company will propose a special resolution for Shareholders to consider and, if thought fit, approve to grant the Board a general mandate authorizing the Board to appoint any person to fill casual vacancy in the Board or as an additional director, his term of office shall expire at the conclusion of the next general meeting of the Company.

LETTER FROM THE BOARD

III. GENERAL MANDATE TO ISSUE SHARES

At the AGM, the Company will propose a special resolution for Shareholders to consider and, if thought fit, approve to grant the Board a general mandate authorizing the Board, in compliance with applicable laws and regulations and at times they deem appropriate, to allot, on one or more occasions as it deems appropriate, H-shares or domestic shares with an aggregate nominal amount not exceeding twenty percent (20%) of the aggregate nominal amount of the Company's issued shares as at the day of the passing of this resolution. The authorization will be valid for a period of 12 months commencing from the day of the passing of this resolution or remain valid until the conclusion of next following annual general meeting or until its revocation or alteration by a special resolution at a general meeting, whichever is the earliest. Conditional upon the above resolution to allot new shares being passed and implemented, the Board shall be authorized to make necessary amendments to clause 15 and clause 16 of the Articles of Association of the Company, so as to reflect the alterations to the Company's share capital structure and registered capital arising from the allotment of new shares.

IV. AGM

The notice convening the 2015 AGM of the Company to be held at Conference Room, 17th Floor, Block B, 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, the People's Republic of China on Friday, 27 May 2016 at 9:00 a.m. is set out on pages 5 to 6 of this circular. At this AGM, certain resolutions will be proposed for Shareholders to consider and, if thought fit, approve, among other things, (i) to authorize the Board to appoint a director to fill casual vacancy; and (ii) to grant the Board the share issue mandate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the connected persons of the Company, Shareholders or their respective associates has a material interest in the resolutions to be proposed at the AGM and must abstain from voting at the AGM.

Shareholders who wish to attend the AGM shall complete and return the reply slip enclosed herewith in accordance with the instructions printed thereon as soon as possible and in any event not later than 5:00 p.m. on 6 May 2016.

Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at Block B, 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, the People's Republic of China as soon as possible and in any event not less than twenty-four (24) hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof, if you so wish.

For the purpose of determining Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 27 April 2016 to 27 May 2016 (both dates inclusive) during which period no transfer of shares will be registered. Shareholders whose names appear on the register before book closure shall be entitled to attend and vote at the AGM. Persons buying shares of the Company during book closure shall not be entitled to

LETTER FROM THE BOARD

attend and vote at the AGM. In order to be qualified for attending the AGM, all duly completed transfers of shares together with the relevant share certificates must be lodged with Hong Kong Registrars Limited, the Company's share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 26 April 2016.

For the purpose of determining Shareholders' entitlement to the 2015 final dividend, the register of members of the Company will be closed from 2 June 2016 to 6 June 2016 (both dates inclusive) during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members as at 2 June 2016 are qualified for the final dividend which will be paid on 28 July 2016. In order to be qualified for the 2015 final dividend, all duly completed transfers of shares together with the relevant share certificates must be lodged with Hong Kong Registrars Limited, the Company's share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 1 June 2016.

V. RECOMMENDATION

In the opinion of the Directors, the above-mentioned resolutions are in the best interest of the Company and Shareholders as a whole. Therefore, the Directors recommend all Shareholders vote in favour of the relevant resolutions to be proposed at the AGM.

VI. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,
By Order of the Board
Harbin Electric Company Limited
Ai Li-song
Company Secretary

NOTICE OF AGM

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(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1133)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Harbin Electric Company Limited (the "Company") for the year of 2015 will be held at Conference Room, 17th Floor, Block B, 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, the People's Republic of China on Friday, 27th May, 2016 at 9:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To consider and approve the Report of the Directors for the year ended 31st December, 2015;
2. To consider and approve the Report of the Supervisory Committee for the year ended 31st December, 2015;
3. To consider and approve the audited accounts and the auditor's report for the period from 1st January, 2015 to 31st December, 2015;
4. To declare the 2015 dividend of RMB0.015 per share (appropriate tax included) to be paid on 28th July 2016;
5. To re-appoint BDO China Shu Lun Pan Certified Public Accountants LLP as the auditors of the Company for the 2016 financial statements of the Company and authorize the Board of Directors of the Company to fix their remuneration.

AS SPECIAL BUSINESS

6. To authorize the Board of Directors of the Company to appoint any person to fill casual vacancy in the Board of Directors or as an additional director, his term of office shall expire at the conclusion of the next general meeting of the Company;

NOTICE OF AGM

7. To authorize the Board of Directors of the Company, in compliance with applicable laws and regulations and at times they deem appropriate, to allot, on one or more occasions as it deems appropriate, H-shares or domestic shares with an aggregate nominal amount not exceeding twenty percent (20%) of the aggregate nominal amount of the Company's issued shares as at the day of the passing of this resolution. The authorization will be valid for a period of 12 months commencing from the day of the passing of this resolution or remain valid until the conclusion of next following annual general meeting or until its revocation or alteration by a special resolution at a general meeting, whichever is the earliest. Conditional upon the above resolution to allot new shares being passed and implemented, the Board shall be authorized to make necessary amendments to clause 15 and clause 16 of the Articles of Association of the Company, so as to reflect the alterations to the Company's share capital structure and registered capital arising from the allotment of new shares.

By Order of the Board
Harbin Electric Company Limited
Ai Li-song
Company Secretary

Harbin, PRC, 6 April 2016

Registered Address:

Block 3, Nangang High Technology Production Base
Harbin, Heilongjiang Province
People's Republic of China

Correspondence Address:

Block B, No. 39 Sandadongli Road
Xiangfang District
Harbin, Heilongjiang Province
People's Republic of China

Notes:

1. For the purpose of determining Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 27 April 2016 to 27 May 2016 (both dates inclusive) during which period no transfer of shares will be registered. Shareholders whose names appear on the register before book closure shall be entitled to attend and vote at the AGM. Persons buying shares of the Company during book closure shall not be entitled to attend and vote at the AGM. In order to be qualified for attending the AGM, all duly completed transfers of shares together with the relevant share certificates must be lodged with Hong Kong Registrars Limited, the Company's share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 26 April 2016.
2. For the purpose of determining Shareholders' entitlement to the 2015 final dividend, the register of members of the Company will be closed from 2 June 2016 to 6 June 2016 (both dates inclusive) during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members as at 2 June 2016 are qualified for the final dividend which will be paid on 28 July 2016. In order to be qualified for the 2015 final dividend, all duly completed transfers of shares together with the relevant share certificates

NOTICE OF AGM

must be lodged with Hong Kong Registrars Limited, the Company's share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 1 June 2016.

3. Shareholders intending to attend the AGM shall give written reply to the Company at its correspondence address by 5:00 p.m. on 6 May 2016.
4. A Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more persons (whether or not a Shareholder) as his proxy to attend and vote on his behalf.
5. To be valid, the form of proxy, together with a notarially certified power of attorney or other document of authority, if any, under which the form is signed, must be deposited at the correspondence address of the Company not less than 24 hours before the time appointed for holding the AGM.