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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**

*(formerly known as Harbin Power Equipment Company Limited)*

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

**(Stock code: 1133)**

**FURTHER ANNOUNCEMENT  
IN RESPECT OF  
HARBIN GENERATOR'S CONTRIBUTION TO KUNMING GENERATOR**

Reference is made to the announcement of Harbin Electric Company Limited (the "Company") dated 15 March 2011 ("Previous Announcement"), regarding the contribution (the "Contribution") of RMB250,000,000 by Harbin Generator to Kunming Generator. Terms used in this announcement shall be the same as defined in the Previous Announcement, unless the context herein requires otherwise.

The Previous Announcement contained profit forecast (the "Profit Forecast") of the net profits of Kunming Generator for the years ended 31 December 2010 and 31 December 2011. The Profit Forecast was based on the following principal assumptions:

1. there is no material change in the existing national and local laws and regulations, systems and social, political and economical policies, to which Kunming Generator is subject for its business operation;
2. Kunming Generator will maintain on-going operation in line with its current mode of business operation;
3. there is no material change in the current tax base and rates, preferential tax policies, bank loan interest rates and other policies on fees in the PRC;
4. the financial and industry prospect information provided by the relevant parties is true;
5. there are no force majeure events or unforeseeable factors that result in significant adverse impact;
6. the revenue and expenses forecasted and provided by Kunming Generator are true and accurate and will materialise as expected;
7. the technical team and senior management of Kunming Generator remain relatively stable, and there is no significant loss of its core professional staff;

8. the current and the future operator of Kunming Generator are responsible and its management of can implement its development plan steadily and maintain a good business trend;
9. the future operator of Kunming Generator will comply with the relevant laws and regulations in the PRC and there will not be any material breaches affecting the development and realization of income of Kunming Generator; and
10. the accounting policies adopted for preparing the historical financial information and revenue forecasts are substantially the same in material aspects as that for auditing.

A letter from the Board and a letter from the Company's auditor's prepared in accordance with the requirements of the Listing Rules have been lodged with the Stock Exchange.

The Board have reviewed the principal assumptions upon which the Profit Forecast is based and are of the view that the Profit Forecast has been made after due care and enquiry.

Pursuant to Rule 14.62 of the Listing Rules, Crowe Horwath (HK) CPA Limited ("Crowe"), the Company's auditors, has reviewed the accounting policies and calculation for the Profit Forecast.

#### **EXPERT AND CONSENT**

The following is the qualification of the expert who has given opinion or advice which is contained in this announcement:

<b>Name</b>	<b>Qualification</b>
Crowe Horwath (HK) CPA Limited	Certified public accountants

As at the date of this announcement, Crowe does not have any shareholding in the Company or its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or its subsidiaries.

To the best of the Directors' knowledge, information and belief, Crowe is a third party independent of and not connected with the Company or the connected persons (as defined in the Listing Rules) of the Company and its subsidiaries. Crowe has given and has not withdrawn its written consent to the issue of this announcement with the inclusion herein of its references to its name in the form and context in which it is appears.

By Order of the Board  
**Harbin Electric Company Limited**  
**MA Sui**  
*Company Secretary*

Hong Kong, 29 December 2011

*As at the date of this announcement, the non-executive directors of the Company are Mr. Gong Jing-kun, Mr. Zou Lei and Mr. Duan Hong-yi; the executive Directors are Mr. Wu Wei-zhang and Mr. Shang Zhong-fu; and the independent non-executive directors are Mr. Sun Chang-ji, Mr. Jia Cheng-bing, Ms. Li He-jun, Mr. Yu Bo and Mr. Liu Deng-qing.*