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If you have sold or transferred all your shares in Harbin Electric Company Limited (the “Company”), 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)

**APPOINTMENT OF SUPERVISOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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

A notice convening the extraordinary general meeting (the “EGM”) of Harbin Electric Company Limited to be held at 17th Floor Meeting Room, Block B, 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, the People’s Republic of China on Tuesday, 18 November 2014 at 9:00 a.m. is set out on pages 5 to 6 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, 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 EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof, if you so wish.

26 September 2014

CONTENTS

DEFINITIONS	1
LETTER FROM THE BOARD	2
NOTICE OF EGM	5

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time;
“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;
“EGM”	the extraordinary general meeting of the Company to be convened at 17th Floor Meeting Room, Block B, 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, the People’s Republic of China on Tuesday, 18 November 2014 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;
“Supervisory Committee”	the Supervisory Committee of the Company;
“Supervisor(s) Representing Shareholders”	the supervisors appointed by the Shareholders of the Company.

LETTER FROM THE BOARD



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)

Executive Directors:

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

Registered Office and headquarters:

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

Non-Executive Directors:

Mr. Gong Jing-kun
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. Sun Chang-ji
Mr. Jia Cheng-bing
Mr. Yu Bo
Mr. Liu Deng-qing

26 September 2014

To the Shareholders

Dear Sir or Madam,

**APPOINTMENT OF SUPERVISOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

Mr. Bai Shao-tong retired as Supervisor Representing Shareholders and Chairman of the Supervisory Committee of the Company in accordance with relevant requirements of state cadre management. The Board resolved to propose to the Shareholders the appointment of a new Supervisor Representing Shareholders.

The purpose of this circular is to provide you with further information in respect of the particulars of the supervisor proposed to be appointed and the EGM to be held.

LETTER FROM THE BOARD

II. APPOINTMENT OF SUPERVISOR REPRESENTING SHAREHOLDERS AND DETERMINATION OF HIS REMUNERATION

Mr. Feng Yong-qiang will be appointed as a Supervisor Representing Shareholders of the Supervisory Committee of the Company. His remuneration is consisted of basic salary and performance-based compensation. The basic salary is determined according to a certain percentage of the average salary of workers, while the performance-based compensation is determined in accordance with the annual economic targets and the medium to long-term economic targets met by the Company. His term of office will commence on the date of EGM approving his appointment, and will expire at the end of term of the Company's supervisory committee.

The biographical details of Mr. Feng Yong-qiang is set out below:

Mr. Feng Yong-qiang, born in September 1963, is a senior policy advisor with a master degree. He graduated from Harbin Institute of Electrical Engineering specializing in Electric Machinery, and later obtained a master degree in Business Administration from Harbin Institute of Technology. He is currently the vice secretary and the standing committee member of the Party Committee of HE and the Company. Mr. Feng joined HE in 1985, and has worked as a technician of the machinery department of the Boiler Company of the Group, the secretary of the Party Committee office, the vice secretary of the Communist Youth League, secretary, director of No. 1 Pipe Workshop, director of heavy vessel workshop, as well as the vice secretary of the Party Committee, the secretary of the Party Committee and vice chairman of the Boiler Company. He was appointed as a standing committee member of the City Committee and deputy mayor (acting) of Tongliao, Inner Mongolia Autonomous Region since November 2001. He has been the deputy general manager of the Company since April 2004, the vice secretary of the Party Committee of HE since October 2008, and the vice secretary of the Party Committee of HE and the Company since January 2009.

Save as the positions disclosed above, Mr. Feng had not held any positions in any other listed companies in the past three years. Other than Mr. Feng's duties in the Company and HE as disclosed above, Mr. Feng does not have any relationship with any Directors, supervisors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Feng does not have any interest in the shares within the definition of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"). Subject to the approval of Shareholders on the EGM, the Company will enter into the service contract and appointment letter with Mr. Feng. The initial term of service contract will commence on the date of EGM, and will expire at the end of term of the supervisory committee.

The Board is not aware of any other matter in respect of Mr. Feng that needs to be brought to the attention of the Shareholders or the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), nor is there any other information in respect of Mr. Feng to be disclosed pursuant to any requirements of Rule 13.51(2) of the Rules Governing the Listing of Securities on Stock Exchange (the "Listing Rules").

LETTER FROM THE BOARD

III. EGM

The resolution for the approval of the appointment of Supervisor Representing Shareholders and the determination of his remuneration will be proposed to the Shareholders for their consideration at the EGM. The resolution approving the appointment of Supervisor Representing Shareholders of the Supervisory Committee and the determination of his remuneration is required to be approved at the EGM as an ordinary resolution.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no connected person of the Company, Shareholder or their respective associates have a material interest in the resolution to be proposed at the EGM and are required to abstain from voting at the EGM.

A notice convening the EGM is set out on pages 5 to 6 of this circular. The EGM will be held at 17th Floor Meeting Room, Block B, 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, the People's Republic of China on Tuesday, 18 November 2014 at 9:00 a.m. at which a resolution will be proposed to approve the appointment of Supervisor Representing Shareholder and the determination of his remuneration. A form of proxy for use at the EGM has been enclosed and dispatched with this circular.

IV. RECOMMENDATION

The Directors believe that the resolution in respect of the appointment of Supervisor Representing Shareholders and the determination of his remuneration is in the interests of the Company and the Shareholders as a whole, and, accordingly, the Directors recommend that all the Shareholders vote in favour of the relevant resolution at the EGM.

Yours faithfully,
By order of the Board
Harbin Electric Company Limited
Gao Xu-guang
Company Secretary

NOTICE OF EGM

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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 EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of Harbin Electric Company Limited (the "Company") will be held at 17th Floor Meeting Room, Block B, 39 Sandadongli Road, Xiangfang District, Harbin, Heilongjiang Province, the People's Republic of China on Tuesday, 18 November 2014 at 9:00 a.m. for the following purposes:

ORDINARY RESOLUTION

That Mr. Feng Yong-qiang be appointed as a Supervisor Representing Shareholders of the Supervisory Committee of the Company. His remuneration is consisted of basic salary and performance-based compensation. The basic salary is determined according to a certain percentage of the average salary of workers, while the performance-based compensation is determined in accordance with the annual economic targets and the medium to long-term economic targets met by the Company. His term of office will commence on the date of EGM approving his appointment, and will expire at the end of term of the Company's supervisory committee.

By Order of the Board
Harbin Electric Company Limited
Gao Xu-guang
Company Secretary

Harbin, PRC
26 September 2014

NOTICE OF EGM

Notes:

1. For the purpose of ascertaining the list of shareholders entitled to attend and vote at the EGM, the register of members of the Company will be closed from 18 October 2014 to 18 November 2014 (both dates inclusive). Shareholders whose names appear on the register before such closure shall be entitled to attend and vote at the EGM. Any person purchasing shares of the Company during the closure period shall not be entitled to attend the EGM. In order to qualify to attend the EGM, all transfers documents together with relevant share certificates must be lodged with the Company's Registrar, Hong Kong Registrars Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:00 p.m. on 17 October 2014;
2. Shareholders intending to attend the EGM shall give written notice of the same to the Company, which shall be lodged at the office address of the Company before 4:00 p.m. on 28 October 2014;
3. A Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies, whether or not they are members, to attend and vote on his/her behalf;
4. 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 office address of the Company not later than 24 hours before the time appointed for holding the EGM;
5. Mr. Zhang Jun-quan is elected by all the staff as supervisor representing staff and workers and is appointed as the same, effective from the date of convening this EGM; and
6. The brief biographical details of the proposed supervisors are set out below:

Mr. Feng Yong-qiang, born in September 1963, is a senior policy advisor with a master degree. He graduated from Harbin Institute of Electrical Engineering specializing in Electric Machinery, and later obtained a master degree in Business Administration from Harbin Institute of Technology. He is currently the vice secretary and the standing committee member of the Party Committee of HE and the Company. Mr. Feng joined HE in 1985, and has worked as a technician of the machinery department of the Boiler Company of the Group, the secretary of the Party Committee office, the vice secretary of the Communist Youth League, secretary, director of No. 1 Pipe Workshop, director of heavy vessel workshop, as well as the vice secretary of the Party Committee, the secretary of the Party Committee and vice chairman of the Boiler Company. He was appointed as a standing committee member of the City Committee and deputy mayor (acting) of Tongliao, Inner Mongolia Autonomous Region since November 2001. He has been the deputy general manager of the Company since April 2004, the vice secretary of the Party Committee of HE since October 2008, and the vice secretary of the Party Committee of HE and the Company since January 2009.

Mr. Zhang Jun-quan, born in February 1964, is a senior engineer graduated from Shenyang Architectural and Civil Engineering Institute with a bachelor degree specializing in Machinery Engineering and Equipment. He is currently the head of the Party Committee of the Organization Department of Electric Machinery Company of the Group. Mr. Zhang joined HE in 1986, and has worked as a technician, the deputy head of technical room, deputy director, director as well as the secretary of the Party Committee of the Coil Factory of Electric Machinery Company of the Group and head of equipment department of Electric Machinery Company. He has been the head of the Organization Department of Party Committee of Electric Machinery Company since March 2013.

As at the date of this announcement, the executive Directors of the Company are Mr. Wu Wei-zhang, Mr. Zhang Ying-jian, Mr. Song Shi-qi and Mr. Shang Zhong-fu; the non-executive directors of the Company are Mr. Gong Jing-kun and Mr. Zou Lei; and the independent non-executive directors of the Company are Mr. Sun Chang-ji, Mr. Jia Cheng-bing, Mr. Yu Bo and Mr. Liu Deng-qing.