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哈尔滨电气股份有限公司

HARBIN ELECTRIC COMPANY LIMITED

(incorporated in the People's Republic of China with limited liability)

(Stock Code: 1133)

VOLUNTARY ANNOUNCEMENT PROGRESS OF THE ISSUE OF DOMESTIC CORPORATE BONDS

Reference is made to the announcements issued by Harbin Electric Company Limited (the "Company") on 19 October and 3 December 2012 and 21 February 2013 in relation to the issue of domestic corporate bonds (the "Corporate Bonds"). The Company hereby announces the following progress:

1. The public issuance of five-year Corporate Bonds of not exceeding RMB4 billion by the Company has been approved. The Corporate Bonds shall be issued in multiple tranches. The issuance amount of the first tranche shall be RMB3 billion (the "Bonds"). Other tranches shall be issued and completed within 24 months from the date on which the approval of the CSRC is obtained.
2. The Company published "Announcement regarding Issuance of 2012 Corporate Bonds (First Tranche)", "Prospectus regarding Public Issuance of 2012 Corporate Bonds (First Tranche)" and "Summary of Prospectus regarding Public Issuance of 2012 Corporate Bonds (First Tranche)" on the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Company on 7 March 2013. Those reports are made available to the investors on the above websites.
3. The Company will carry out an offline consultation regarding the coupon rates ranging from 4.7%-5.1% with investors on 8 March 2013. The final coupon rate of the Bonds will be published on China Securities Journal, the website of Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of the Company on 11 March, and the results of issuance will be determined on 13 March.
4. The long-term credit rating of the Company is AAA, and the rating of the Bonds is AAA.
5. The Company will apply for listing of the Bonds on the Shanghai Stock Exchange following the issuance of the Bonds.

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

Harbin, PRC, 7 March 2013

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