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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)

UPDATE ON PROFIT WARNING

This announcement is made by Harbin Electric Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the profit warning announcement issued by the Company on 7 January 2015. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the profit warning announcement.

The Board wishes to inform the shareholders of the Company and potential investors that, as set out in the profit warning announcement, the Company expects that, among others, **“the profit contribution from principal activities of the Group will record a significant decline for the year ended 31 December 2014 as compared with 2013 owing to price reduction and other factors. However, the overall profit for 2014 of the Group is expected to record a substantial increase as compared with 2013, mainly attributable to the substantial rise in market value of the Company’s shareholdings in 3 major power companies, namely Datang International Power Co., Ltd., GD Power Development Company and Inner Mongolia MengDian HuaNeng Thermal Power Corporation Limited (the “Power Companies Shareholdings”), which has brought in extraordinary income to a larger extent for the Company.”**

During the course of the preparation of the results of the Group for the year ended 31 December 2014, further adjustments to the Company’s profit warning position may be necessary upon further calculations. It is expected that the decrease in profit contribution from principal activities of the Group for the year ended 31 December 2014 will be higher than expected. Although there was a substantial rise in market value of the Company’s shareholdings in the power companies, it was not sufficient to cover the significant decrease in profit contribution from principal activities. As such, **the overall profit for 2014 of the Group is expected to record a substantial decrease as compared with 2013.**

The information contained in this announcement is merely based on the assessment on the latest information currently available to the Board. For details of the Group's financial results for the year ended 31 December 2014, please refer to 2014 Annual Report of the Company to be published by 30 April 2015.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Harbin, PRC
16 March 2015

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. Yu Bo and Mr. Liu Deng-qing.