

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**INSIDE INFORMATION
ANNOUNCEMENT ON RECEIPT OF
THE ENFORCEMENT RULING FROM THE PEOPLE'S COURT OF
SHIHE DISTRICT IN XINYANG CITY**

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

The Company hereby announces that the Company received the Enforcement Ruling (the “**Ruling**”) from the People's Court of Shihe District, Xinyang City, Henan Province on 17 October 2023, requiring the Company to refund RMB128.1 million (equivalent to approximately HK\$139.24 million) to the account of the Executive Bureau of the People's Court of Shihe District, Xinyang City, Henan Province, within ten days from the date of the receipt of the Ruling, and that any failure to do so will result in the freezing, transferring a deposit of RMB128.1 million from the Company's bank account or the seizure and attachment of other properties of equivalent value of the Company (the “**Enforcement**”).

The background to the Enforcement is set out below:

On 5 August 2013, the Company and Beijing Zhongnengda Engineering Co., Ltd. (北京中能達工程有限公司) (“**Zhongnengda Company**”) entered into the “Equipment Procurement Contract of Engineering Mechanical Island and Whole Plant DCS System of Xinyang Gas Power Plant of Henan Hongchang Gas and Power Co., Ltd.” (《河南弘昌燃氣電力有限公司信陽燃氣電廠工程機島及全廠DCS系統設備採購合同》)(the “**Xinyang Project Contract**”), pursuant to which the Company is required to provide products of the Xinyang Project Contract to Zhongnengda Company, with a contract amount of RMB981 million. Subsequently, the Company received payments totalling RMB128.1 million in respect of the Xinyang

Project Contract from Zhongnengda Company as advance payment and material input for the products of the Xinyang Project Contract. However, due to the dispute between Zhongnengda Company and Henan Hongchang Gas and Power Co., Ltd., the owner of the Xinyang Project, the Xinyang Project was suspended, and the Company, at the request of Zhongnengda Company, utilised the RMB128.1 million for the purpose of executing other normal execution of the project contracts entered into with Zhongnengda Company.

In September 2022, the legal representative of Zhongnengda Company was convicted by the Intermediate People's Court of Xinyang City of committing the offence of contractual fraud for defrauding Henan Hongchang Gas and Power Co., Ltd., the owner of the Xinyang Project.

In October 2023, the People's Court of Shihe District, Xinyang City, Henan Province ruled to recover the RMB128.1 million paid by Zhongnengda Company to the Company.

The Company is in the process of filing objections to and review of the Ruling in accordance with applicable legal requirements. If there is any new progress of the Enforcement, the Company will make further announcement in due course in compliance with the requirements of the Listing Rules and/or SFO. The directors of the Company expect that the Enforcement may have an impact on the Company's net profit attributable to the owner of the parent company for the year ending 31 December 2023.

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

* *For the purpose of this announcement, conversion of Hong Kong dollars into Renminbi is based on the approximate exchange rate of HK\$1 to RMB0.92. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.*

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

Harbin, PRC
19 October 2023

As at the date of this announcement, the executive Directors of the Company are Mr. Cao Zhi-an, Mr. Huang Wei and Mr. Zhang Ying-jian; and the independent non-executive Directors of the Company are Mr. He Yu, Mr. Hu Jian-min, Mr. Tang Zhi-hong and Mr. Pan Qi-long.