

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to what action you should take in respect of this circular, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred your shares in HEC, you should take the necessary steps to notify the appropriate authority. If you have bought or otherwise acquired shares in HEC, you should take the necessary steps to notify the appropriate authority.

Some of the changes and amendments to the Shareholders' Agreement of HEC Limited take effect from the date of the completion of the share repurchase, and the board of directors of HEC Limited has approved the amendments to the Shareholders' Agreement of HEC Limited.



**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)*

1133

- (1) AUTHORIZATION TO APPOINT A DIRECTOR TO FILL CASUAL VACANCY;
- (2) PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE H SHARES;
- AND
- (3) NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF H SHARES CLASS MEETING

the following information is set out in pages 1 to 7 of this circular.

The Shareholders' Meeting and the Shareholders' Meeting will be held at the same time and place as the 13th Annual General Meeting of HEC, on June 13, 2020 at 00:00 a.m., on June 12, 2020 at 30 a.m. (on the date of the meeting), and on June 12, 2020 at 10:00 a.m. (on the date of the meeting) at the same time and place as the Shareholders' Meeting (on the date of the meeting) and the Shareholders' Meeting set out in pages 8 and 11 of this circular.

Where the notice of the meeting and/or the Shareholders' Meeting is required to be published in the newspaper(s) as specified in the notice, the notice shall be published in the newspaper(s) as specified in the notice of the meeting and/or the Shareholders' Meeting, and the notice shall be published in the newspaper(s) as specified in the notice of the meeting and/or the Shareholders' Meeting, and the notice shall be published in the newspaper(s) as specified in the notice of the meeting and/or the Shareholders' Meeting.

---

## CONTENTS

---

<b>DEFINITIONS .....</b>	<b>ii</b>
<b>LETTER FROM THE BOARD .....</b>	<b>1</b>
<b>APPENDIX I – EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE ..</b>	<b>5</b>
<b>NOTICE OF AGM .....</b>	<b>8</b>
<b>NOTICE OF H SHARES CLASS MEETING .....</b>	<b>11</b>



---

## DEFINITIONS

---

Shares Issuing	the Shares Issuing of the Company to be authorized by the Board of Directors of the Company and the Company shall issue 13 million ordinary shares, par value of RMB1.00 each, on June 12, 2020 to 30 days (including the date of the resolution of the Board of Directors).
哈爾濱電氣集團有限公司	哈爾濱電氣集團有限公司(哈爾濱電氣集團有限公司, Ltd.), a wholly-owned subsidiary of the Company under the laws of the PRC.
公司	the Company, Sinopec Chemicals Ltd.,
本報告日期	Wednesday, 2 July 2020,
上市公告書	the prospectus of the Listing of the Shares of the Company, as amended and read together with the
附	the Company's website of the listing of the Shares of the Company, and the Prospectus of the Listing of the Shares of the Company, and the Prospectus of the Listing of the Shares of the Company.
承銷及認購	the underwriter of the offering of the Shares of the Company, Sinopec Chemicals Ltd., and the Company shall issue 10% of the Shares of the Company as at the date of the offering of the Shares of the Company.
承銷人	the underwriter(s) of the offering of the Shares of the Company,
上市公告書	The Listing Prospectus of the offering of the Shares of the Company,
招股說明書	The Prospectus of the offering of the Shares of the Company and the Shares of the Company issued by the Company and the Shares of the Company.

LETTER FROM THE BOARD



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)

1133

Secretary's Office

- . S Ze-hu
- . Wu Wei-hang
- . Zhang Jing-an

Independent Non-Secretary's Office

- . Zhu Yongjie
- . Lu Wenling
- . Lu Jianxin
- . Tian Jinqin

Registered Head Office

- 13 Huanqini Road,
- Songbei District,
- Qilin, Heilongjiang Province,
- the People's Republic of China

Principal Place of Business

- Room 1601, 16th Floor
- LT Tower
- 31 Juefen Road, Qiqihar
- Heilongjiang

8 June 2020

To the Shareholders

Dear Sirs,

- (1) AUTHORIZATION TO APPOINT A DIRECTOR TO FILL CASUAL VACANCY;
- (2) PROPOSED GRANTING OF GENERAL MANDATE TO REPURCHASE H SHARES;
- AND
- (3) NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF H SHARES CLASS MEETING

I. INTRODUCTION

The purpose of this circular is to advise you of the notice of the 2019 Annual General Meeting of the Company and the resolutions proposed to be considered and, if approved, to authorize the Board to take the following actions: (i) to authorize the Board to propose and elect the independent non-executive directors, and (ii) to authorize the Board to propose and elect the independent non-executive directors, and to advise you of the resolutions proposed to be considered at the Shareholders' Meeting and the H Shares Class Meeting, i.e. the resolutions to authorize the Board to propose and elect the independent non-executive directors.







**APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

This explanatory statement is being provided under rule 10.06(1)(b) of the Securities Act.

**EXERCISE OF THE REPURCHASE MANDATE**

The following table sets forth the number of shares of common stock that may be repurchased under the repurchase mandate and the number of shares of common stock that have been repurchased under the repurchase mandate. The repurchase mandate is a discretionary program and the number of shares repurchased will depend on market conditions and other factors. The repurchase mandate is subject to the following limitations: (i) the number of shares repurchased will not exceed 10% of the number of shares of common stock outstanding at the end of the fiscal year; (ii) the repurchase will not be funded by the issuance of new shares of common stock; and (iii) the repurchase will not be funded by the sale of treasury shares. The repurchase mandate is subject to the following limitations: (i) the number of shares repurchased will not exceed 10% of the number of shares of common stock outstanding at the end of the fiscal year; (ii) the repurchase will not be funded by the issuance of new shares of common stock; and (iii) the repurchase will not be funded by the sale of treasury shares.

**REASONS FOR H SHARE REPURCHASE**

The Board of Directors has authorized the repurchase of common shares for the purpose of increasing the liquidity of the common shares and to improve the financial performance of the company. The repurchase of common shares is a discretionary program and the number of shares repurchased will depend on market conditions and other factors.

**FUNDING OF H SHARE REPURCHASE**

The repurchase of common shares will be funded by the company's cash resources and the proceeds from the sale of common shares. The repurchase of common shares will not be funded by the issuance of new shares of common stock or by the sale of treasury shares.

The repurchase of common shares will be subject to the following limitations: (i) the number of shares repurchased will not exceed 10% of the number of shares of common stock outstanding at the end of the fiscal year; (ii) the repurchase will not be funded by the issuance of new shares of common stock; and (iii) the repurchase will not be funded by the sale of treasury shares.

The repurchase of common shares will be subject to the following limitations: (i) the number of shares repurchased will not exceed 10% of the number of shares of common stock outstanding at the end of the fiscal year; (ii) the repurchase will not be funded by the issuance of new shares of common stock; and (iii) the repurchase will not be funded by the sale of treasury shares.

**DISCLOSURE OF INTERESTS**

None of the interests, and the best of the knowledge, having made a reasonable enquires, none of the directors, or any of the persons mentioned in the Schedule to the Companies Act, 1956, are interested in the shares of the Company.

The persons mentioned in the Schedule to the Companies Act, 1956, (i) are interested in the shares of the Company (ii) have undertaken to purchase the shares of the Company, in the event of the Company being repurchased.

**DIRECTORS' UNDERTAKING**

The directors have undertaken to purchase the shares of the Company (i) in the event of the Company being repurchased (ii) to purchase the shares of the Company.

**H SHARE REPURCHASE MADE BY THE COMPANY**

The shares of the Company have been repurchased by the Company (i) in the event of the Company being repurchased (ii) in the event of the Company being repurchased.

**EFFECT OF TAKEOVERS CODE**

If the shares of the Company are repurchased, the Company will be liable to pay the amount of the repurchase to the shareholders of the Company. The Company will be liable to pay the amount of the repurchase to the shareholders of the Company.

As at the date of the filing of this explanatory statement, the Company has a total of 1,030,52,000 shares, of which 60.41% are held by the public. The Company has a total of 608,013,00 shares, of which 62.0% are held by the public. The Company has a total of 1,638,65,00 shares, of which 62.0% are held by the public.

# APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

## PRICES OF H SHARES

The highest and lowest prices of the Shares of the Company have been recorded on the Singapore Exchange during each of the previous 12 months ended on the dates specified below as follows:

	Share prices	
	Highest ( \$ )	Lowest ( \$ )
<b>2019</b>		
January	4.20	4.00
February	4.57	3.01
June	4.56	3.3
July	4.07	2.32
August	2.57	1.1
September	2.36	1.0
October	2.11	1.7
November	2.06	1.85
December	2.58	1.7
<b>2020</b>		
January	2.4	2.02
February	2.33	1.
March	2.22	1.45
April	2.34	1.74









---

## NOTICE OF H SHARES CLASS MEETING

---

2. If the above resolutions are approved and adopted, the board of directors of the Company shall be authorized to make necessary amendments to Article 16 and Article 17 of the Charter of the Company, so as to effect the amendments of the Company's share structure and registered capital in accordance with the

of the

**Harbin Electric Company Limited**

**Si Ze-fu**

*Chairman*

Chairman, the

8 2020

of the date of this notice, the representatives of Si Ze-fu, Wu Wai-hong and Zhang Ying-i, and the independent representatives Zhu Yong-ye, Lu Wen-ying, Lu Yan-xin and Tian Lin.

Registered address and residence address of the Company

13 Huangini Road

Songbei District

Chairman, Songyang

the

---

## NOTICE OF H SHARES CLASS MEETING

---

es

1. The purpose of the meeting is to receive the report of the directors and to receive the dividend for the year ended 31 March 2020. The meeting will be held on 12 June 2020 (being a day which is not a public holiday in Hong Kong) at 4:30 pm in the boardroom of the company at the 17th floor, 1712-1716, 17th Floor, One Connaught Place, Wanchai, Hong Kong on 12 June 2020.
2. The directors of the company are authorized to call the meeting and to determine the agenda of the meeting.
3. To be valid, the meeting must be held at the time and place specified in the notice, and the business to be transacted at the meeting must be specified in the notice. The meeting may be adjourned from time to time and from place to place, and the business to be transacted at the meeting may be determined by the directors.