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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)

**CONNECTED TRANSACTION
ENTERING INTO THE EQUITY TRANSFER AGREEMENT
IN RESPECT OF MARINE INTELLIGENT EQUIPMENT
COMPANY BETWEEN ELECTRIC MACHINERY COMPANY
AND HE**

**ENTERING INTO THE EQUITY TRANSFER AGREEMENT IN RESPECT
OF MARINE INTELLIGENT EQUIPMENT COMPANY BETWEEN
ELECTRIC MACHINERY COMPANY AND HE**

On 24 September 2026 (after trading hours), Electric Machinery Company and HE entered into the Equity Transfer Agreement in respect of Marine Intelligent Equipment Company, pursuant to which HE agreed to transfer by way of non-public agreement and Electric Machinery Company agreed to acquire the 100% equity interests in Marine Intelligent Equipment Company held by HE at a transfer price of RMB14,861,446.02 (equivalent to approximately HK\$17,269,907.29). After the Transfer, Marine Intelligent Equipment Company will become a wholly-owned subsidiary of Electric Machinery Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, HE is the controlling shareholder and connected person of the Company holding approximately 69.79% of the total issued share capital of the Company, and Electric Machinery Company is a wholly-owned subsidiary of the Company. Accordingly, the Transfer constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Transfer as calculated in accordance with the Listing Rules are more than 0.1% but all of them are less than 5%, the Company is required to report on and make an announcement in respect of the transaction under Chapter 14A of the Listing Rules, but is exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements.

INTRODUCTION

The Board hereby announces that on 24 September 2026 (after trading hours), Electric Machinery Company and HE entered into the Equity Transfer Agreement, pursuant to which HE agreed to transfer by way of non-public agreement and Electric Machinery Company agreed to acquire the 100% equity interests in Marine Intelligent Equipment Company held by HE at a transfer price of RMB14,861,446.02 (equivalent to approximately HK\$17,269,907.29). After the Transfer, Marine Intelligent Equipment Company will become a wholly-owned subsidiary of Electric Machinery Company.

1. PRINCIPAL TERMS AND CONDITIONS OF THE EQUITY TRANSFER AGREEMENT

The principal terms and conditions of the Equity Transfer Agreement are set out below:

1.1 Date

24 September 2026 (after trading hours).

1.2 Parties

Electric Machinery Company (as the buyer); and
HE (as the vendor).

1.3 Transfer scheme

HE agreed to transfer by way of non-public agreement and Electric Machinery Company agreed to acquire the 100% equity interests in Marine Intelligent Equipment Company held by HE at a transfer price of RMB14,861,446.02.

1.4 Payment of transfer price

Electric Machinery Company shall settle the transfer price by one-off cash payment and remit the transfer price to the designated account of HE after the Equity Transfer Agreement takes effect.

1.5 Completion of the equity transfer

Electric Machinery Company may proceed with the registration procedures for the change in shareholding of Marine Intelligent Equipment Company upon due and full payment as stipulated in the Equity Transfer Agreement, and HE Corporation shall provide necessary assistance and cooperation.

Electric Machinery Company and HE Corporation shall handle the registration procedures for the change in shareholding of Marine Intelligent Equipment Company in a timely manner in accordance with the relevant requirements of the PRC, the province and the city, as well as the provisions under the Equity Transfer Agreement.

Completion of the equity transfer shall take place upon completion of the registration procedures for the change in shareholding of Marine Intelligent Equipment Company.

2. BASIS OF CONSIDERATION FOR THE EQUITY TRANSFER AGREEMENT

China Enterprise Appraisals Co., Ltd.* (北京中企華資產評估有限責任公司) has appraised the total equity attributable to shareholders of Marine Intelligent Equipment Company (the “**Valuation**”) and issued the asset valuation report with No. Zhong Qi Hua Ping Bao Zi (2025) No. 0031 dated 18 November 2025. The valuation benchmark date is 30 September 2025 (the “**Valuation Benchmark Date**”). The appraisal results are as at the Valuation Benchmark Date, the book value of total assets of Marine Intelligent Equipment Company was RMB186.9568 million, the appraised value was RMB191.7728 million, the appreciation amount was RMB4.816 million, representing an appreciation rate of 2.58%; the book value of total liabilities was RMB177.7014 million, the appraised value was RMB176.9114 million, the impairment amount was RMB0.79 million, representing an impairment rate of 0.44%; the book value of net assets was RMB9.2554 million, the appraised value was RMB14.8614 million, the appreciation amount was RMB5.606 million, representing an appreciation rate of 60.57%.

Electric Machinery Company and HE agree that the appraised net asset value of Marine Intelligent Equipment Company of RMB14.8614 million (RMB14,861,446.02) shall be adopted as the transfer price for 100% equity interests in Marine Intelligent Equipment Company.

3. ABOUT THE VALUATION

As the principal research, development and manufacturing business of Marine Intelligent Equipment Company focuses on underwater unmanned intelligent equipment technology, which is still in the initial cultivation stage with an immature market and pending breakthroughs in core product technologies, Marine Intelligent Equipment Company cannot reasonably estimate its future income. Accordingly, the asset-based approach was adopted for the Valuation.

The Board believes that the Valuation fairly reflects the market value of Marine Intelligent Equipment Company.

4. BOOK VALUE AND APPRAISED VALUE OF MARINE INTELLIGENT EQUIPMENT COMPANY

As at the Valuation Benchmark Date, the book value and appraised value of Marine Intelligent Equipment Company and the differences between them are set out in the table below:

Valuation Benchmark Date: 30 September 2025

Unit: RMB0'000

Items	No.	Book Value A	Appraised Value B	Appreciation Amount C=B-A	Appreciation Rate % D=C/A × 100
Current Assets	1	17,017.16	17,017.16	0.00	0.00
Non-current Assets	2	1,678.52	2,160.12	481.60	28.69
Of which: Long-term Equity Investment	3	—	—	—	—
Investment Properties	4	—	—	—	—
Fixed Assets	5	649.00	643.34	-5.66	-0.87
Construction in Progress	6	456.30	456.30	0.00	0.00
Oil and Gas Assets	7				
Intangible Assets	8	156.26	646.80	490.54	313.93
Of which: Land Use Rights	9	—	—	—	—
Other Non-current Assets	10	416.96	413.68	-3.28	-0.79
Total Assets	11	18,695.68	19,177.28	481.60	2.58
Current Liabilities	12	11,355.47	11,355.47	0.00	0.00
Non-current Liabilities	13	6,414.67	6,335.67	-79.00	-1.23
Total Liabilities	14	17,770.14	17,691.14	-79.00	-0.44
Net Assets	15	925.54	1,486.14	560.60	60.57

5. KEY QUANTITATIVE INPUTS AND REASONS FOR DIFFERENCES IN THE VALUATION

5.1 Fixed Assets

The fixed assets included in the scope of the Valuation mainly consist of machinery and electronic equipment. The net appraised value decreased by RMB56,585.26, mainly due to the rapid replacement of electronic equipment and the yearly downward trend in market prices resulting in the impairment of electronic equipment in the Valuation.

5.2 Intangible Assets

The intangible assets included in the scope of the Valuation include invention patents, utility models, copyrights and other intangible assets.

There are a total of 38 items of invention patents, utility models and copyrights with an appraisal appreciation of RMB4,901,200.00. These 38 items of invention patents, utility models and copyrights were independently developed by Marine Intelligent Equipment Company during its production process, expensed in previous years with no book value. The cost approach was adopted in the Valuation to assess such assets by calculating replacement cost and determining depreciation rates to arrive at their appraised value.

Other intangible assets consist of externally purchased mes software, ERP software and others of Marine Intelligent Equipment Company, with an appraisal appreciation of RMB4,247.40, mainly attributable to certain software purchased in prior years, which generated slight appreciation upon recalculation.

5.3 Non-current Liabilities

The non-current liabilities included in the scope of the Valuation include long-term borrowings, accrued liabilities and deferred income, with an appraisal impairment of RMB790,000.00. This was mainly attributable to the asset-related construction subsidies included in deferred income. The relevant obligations have been fulfilled and assets have been formed, and no further payment will be required in the future, such that the deferred income is valued at zero in the Valuation.

6. ASSUMPTIONS OF THE VALUATION

- 6.1 It is assumed that all subjects under appraisal are in the course of transaction, and the appraisal professionals carry out the valuation based on a simulated market which involves transaction conditions of the target assets;
- 6.2 It is assumed that both parties to the assets transaction or the proposed assets transaction in the market are in equal position and have opportunities and time to obtain sufficient market information in order to make rational judgments on the assets including their functions, purposes and transaction prices and enter into the transaction on a voluntary and rational basis;
- 6.3 It is assumed that the target assets will continue to be utilized in accordance with their current purpose and usage, etc.;
- 6.4 It is assumed that there are no material changes to the prevailing laws, regulations, policies and the national macro-economic conditions as well as the political, economic and social environment of the places where the parties to the transaction are located;
- 6.5 It is assumed that the enterprise continues operations based on the actual condition of the assets as at the Valuation Benchmark Date;
- 6.6 It is assumed that there are no material changes to the interest rate, exchange rate, taxation base and tax rates, policy charge etc. in relation to the subjects under appraisal after the Valuation Benchmark Date;
- 6.7 It is assumed that the management of the subjects under appraisal will be responsible, stable and competent to undertake their duties after the Valuation Benchmark Date;
- 6.8 Unless otherwise specified, it is assumed that the company would comply with all relevant laws and regulations;
- 6.9 It is assumed that there are no force majeure and other unforeseeable factors that would have a material adverse effect on the subjects under appraisal after the Valuation Benchmark Date;

6.10 The subjects under appraisal incurred substantial research and development expenses in historical years. As the corresponding research projects are at the initial stage of research and development, the corresponding expenses have not generated corresponding products and it is uncertain whether such expenses will bring future benefits to the subjects under appraisal. Accordingly, the subjects under appraisal and auditors are of the view that such R&D expenses do not meet the criteria for recognition as assets. Therefore, such expenses are recorded in research and development expense account and not recognised as assets in accordance with accounting standards. In view of the high uncertainty of realising future benefits from such expenses, the Valuation assumes that such expenses will not increase the future economic benefits inflow or reduce the economic benefits outflow of the enterprise; and

6.11 It is assumed that the accounting policies adopted by the subjects under appraisal after the Valuation Benchmark Date and the accounting policies adopted in the preparation of this asset valuation report are consistent in material respects.

The valuation conclusion of the Valuation is valid as at the Valuation Benchmark Date under the above assumptions. If there are material changes to the above assumptions, the valuer shall not be liable for different valuation conclusions derived from the changes in such assumptions.

7. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

Entering into the Equity Transfer Agreement will benefit the Company by: (1) making layout in the deep-sea equipment sector, accelerating the development of future industries, capture market opportunities in underwater drone technology, securing leading position in the marine equipment sector, and generating new economic growth points; and (2) bolstering the Company's R&D and manufacturing capacity for marine engineering equipment, optimising industrial and technological framework of the Company, enhancing the Company's core operational strengths within the marine equipment industry, and continuously strengthening the competitiveness of its underwater drone products.

The Directors (including independent non-executive Directors) are of the view that the entering into of the Equity Transfer Agreement and the terms of the Equity Transfer Agreement are fair and reasonable, on normal commercial terms, conducted in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole.

The executive Directors, being Mr. Huang Wei, Liu Qing-yong and Mr. Du Xing-kai, are also the directors or senior management of HE and as such, they are deemed to have material interests in the entering into of the Equity Transfer Agreement and have abstained from voting on the relevant Board resolutions considering and approving the entering into of the Equity Transfer Agreement.

Save as disclosed above, none of the Directors had a material interest in the relevant transaction or was required to abstain from voting in respect of the relevant Board resolutions considering and approving the entering into of the Equity Transfer Agreement according to the Listing Rules and/or the articles of association of the Company.

INFORMATION ON THE PARTIES TO THE TRANSACTION

Electric Machinery Company is a limited liability company incorporated in the PRC and is a wholly-owned subsidiary of the Company. It is principally engaged in the manufacture of generators and generator sets, electric motors, mechanical and electrical equipment, power transmission, distribution and control equipment, and general-purpose equipment.

HE is a controlling shareholder of the Company and is the pioneer in establishing the largest research and manufacturing base for power-generating equipment, marine engines, power-driven equipment and export base for complete set of equipment in the PRC. Its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

Marine Intelligent Equipment Company is a limited liability company incorporated in the PRC. Prior to the Transfer, HE held 100% of its equity interests. Upon completion of the Transfer, Electric Machinery Company will hold 100% of its equity interests. The principal businesses of Marine Intelligent Equipment Company include the manufacture of marine engineering equipment, research and development of marine engineering equipment, research and development of intelligent robots, research and development of electric motors and their control systems, research and development of mechanical equipment, and integration of intelligent control systems. According to the PRC Enterprise Accounting Standards, the audited consolidated financial information of Marine Intelligent Equipment Company for the two years ended 31 December 2024 and 2025 is as follows:

	Year ended 31 December 2024	Year ended 31 December 2025
Profit before tax (<i>RMB</i>)	-54,444,722.56	-41,862,300.21
Profit after tax (<i>RMB</i>)	<u>-54,444,722.56</u>	<u>-41,862,300.21</u>

Marine Intelligent Equipment Company had total assets of RMB208,363,338.22 as at 31 December 2025.

LISTING RULES IMPLICATIONS

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DEFINITIONS

Unless the context requires otherwise, the following terms used in this announcement shall have the following meanings:

“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 Main Board of the Stock Exchange (Stock Code: 1133);
“Marine Intelligent Equipment Company”	Harbin Electric Group Marine Intelligent Equipment Co., Ltd., a limited liability company incorporated in the PRC. Prior to the Transfer, HE held 100% of its equity interests. Upon completion of the Transfer, Electric Machinery Company will hold 100% of its equity interests;
“Transfer Agreement”	the equity transfer agreement in respect of Marine Intelligent Equipment Company entered into between Electric Machinery Company and HE on 24 September 2026;
“Transfer”	pursuant to the Transfer Agreement, HE agreed to transfer by way of non-public agreement and Electric Machinery Company agreed to acquire the 100% equity interests in Marine Intelligent Equipment Company held by HE;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“HE”	哈爾濱電氣集團有限公司(Harbin Electric Corporation), a state-owned enterprise and the controlling shareholder of the Company;
“Electric Machinery Company”	Harbin Electric Machinery Co., Ltd., a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time;
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules;
“PRC”	the People’s Republic of China;

“RMB”	the lawful currency of the PRC;
“Shareholder(s)”	the holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

In this announcement, transfer price presented in RMB has been converted into HK\$ at an exchange rate of RMB0.86054 to HK\$1.00. The exchange rate is for illustrative purposes only and does not represent that any amount has been, or may be, converted or convertible at such rate or any other rate.

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

Harbin, the PRC
24 September 2026

As at the date of this announcement, the executive Directors of the Company are Mr. Huang Wei, Mr. Liu Qing-yong and Mr. Du Xing-kai; and the independent non-executive Directors of the Company are Mr. He Yu, Ms. Niu Xiang-chun, Mr. Gao Yi-bin and Mr. Li Xie-hua.

* *for identification purpose only*