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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)

**SUPPLEMENTARY AND MODIFICATION ANNOUNCEMENT
IN RESPECT OF
RESULTS ANNOUNCEMENT AND ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

References are made to the annual results announcement for the year ended 31 December 2015 (the “Results Announcement”) dated 25 March 2016 and the annual report for the year ended 31 December 2015 (the “Annual Report”) dated 6 April 2016 of the Harbin Electric Company Limited (the “Company”) and its subsidiaries (the “Group”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

I. SUPPLEMENTAL INFORMATION TO THE DISCLOSURE OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Company would like to provide following supplemental information to the Shareholders and potential investors:

1. Directors' and Supervisors' Emoluments

Directors' and supervisors' emoluments in 2015 are as follow:

Directors:

Name	Salaries and other benefits <i>Amount (expressed in Renminbi Yuan)</i>	Contributions to retirement benefits schemes <i>Amount (expressed in Renminbi Yuan)</i>	Total <i>Amount (expressed in Renminbi Yuan)</i>
Mr. Gong Jing-kun (resigned on 18 March 2015)	–	–	–
Mr. Zou Lei	–	–	–
Mr. Wu Wei-zhang	551,700.00	147,461.00	699,161.00
Mr. Zhang Ying-jian	551,700.00	151,106.00	702,806.00
Mr. Song Shi-qi	502,140.00	147,374.00	649,514.00
Mr. Shang Zhong-fu (resigned on 26 August 2015)	521,050.00	150,720.00	671,770.00
Mr. Yu Bo	100,000.00	–	100,000.00
Mr. Liu Deng-qing	100,000.00	–	100,000.00
Mr. Yu Wen-xing	–	–	–
Total	<u>2,326,590.00</u>	<u>596,661.00</u>	<u>2,923,251.00</u>

Supervisors:

Name	Salaries and other benefits <i>Amount</i> (<i>expressed in Renminbi Yuan</i>)	Contributions to retirement benefits schemes <i>Amount</i> (<i>expressed in Renminbi Yuan</i>)	Total <i>Amount</i> (<i>expressed in Renminbi Yuan</i>)
Mr. Feng Yong-qiang	551,700.00	142,685.00	694,385.00
Mr. Xu-Er-ming	100,000.00	–	100,000.00
Mr. Chen Guang	358,696.00	67,114.00	425,810.00
Mr. Zhang Jun-quan	269,106.00	66,060.00	335,166.00
Mr. Zhang Wen-ming	94,195.00	25,620.00	119,815.00
Total	<u>1,373,697.00</u>	<u>301,479.00</u>	<u>1,675,176.00</u>

Among 5 individuals with the highest emoluments, none (2014: 1) of them is also director of the Company, and all of their emoluments do not exceed HK\$1,000,000. Aggregate emoluments of the 5 individuals with the highest emoluments are as follow:

Name	2015 <i>Amount</i> (<i>expressed in Renminbi Yuan</i>)
Salaries and other benefits	3,237,040.00
Contributions to retirement benefits schemes	<u>617,251.00</u>
Total	<u>3,854,291.00</u>

2. Operation Segment Information

2015

(Expressed in Renminbi Yuan)

Item	Main thermal power equipment	Main hydro power equipment	Engineering services for power stations	Ancillary equipment for power stations	AC/DC motors and other products and services	Other operation income	Elimination	Total
1. Total operating revenue	14,041,998,558.87	2,705,715,002.37	6,630,017,759.44	1,747,543,909.54	2,598,074,498.34	522,286,877.16	-2,833,249,352.92	25,412,387,252.80
Including: Revenue from external transactions	11,055,520,602.59	2,705,715,002.37	6,819,315,182.61	1,747,543,909.54	2,598,074,498.34	486,218,057.35		25,412,387,252.80
Inter-segment revenue	2,986,477,956.28		-189,297,423.17			36,068,819.81	-2,833,249,352.92	-
2. Investment revenue generated from associates and joint ventures	9,863,133.02	-1,153,614.67	2,052,747.53	-1,127,758.17	276,544.05	241,119.26	-469,792.83	9,682,378.19
3. Impairment loss of assets	340,695,485.98	-39,216,629.58	65,854,265.09	37,701,367.32	55,526,539.22	3,454,940.14	3,704,002.07	467,719,970.24
4. Depreciation and amortisation expenses	396,932,837.07	119,974,272.96	19,942,698.22	30,913,998.18	137,198,909.15	69,792,554.29	-4,660,254.68	770,095,015.19
5. Total profit	72,096,088.48	-124,157,134.94	267,111,635.01	65,937,973.80	-31,806,092.39	169,104,133.45	-110,426,461.98	307,860,141.43
6. Income tax expenses	130,789,177.55	-15,631,202.96	39,514,808.86	20,268,835.14	6,003,316.29	43,627,210.84		224,572,145.72
7. Net Profit	-58,693,089.08	-108,525,931.98	227,596,826.15	45,669,138.66	-37,809,408.68	125,476,922.61	-110,426,461.97	83,287,995.71
8. Total asset	45,976,826,455.94	7,624,998,447.81	6,185,229,462.31	4,517,011,670.37	7,282,640,251.67	20,050,994,613.90	-27,474,455,403.86	64,163,245,498.14
9. Total liabilities	34,253,484,815.40	4,564,784,463.07	5,518,401,880.38	3,529,407,618.66	6,063,128,299.85	17,276,806,547.64	-20,959,649,982.13	50,246,363,642.87
10. Other material non-monetary items								
Including: Other non-monetary expenses (other than depreciation and amortisation expenses)								
Increase of long-term equity investments in associates and joint ventures under equity method								

2014

(Expressed in Renminbi Yuan)

Item	Main thermal power equipment	Main hydro power equipment	Engineering services for power stations	Ancillary equipment for power stations	AC/DC motors and other products and services	Other operation income	Elimination	Total
1. Total operating revenue	14,210,548,808.53	2,906,874,135.86	4,083,666,486.36	1,556,342,681.06	3,128,057,939.50	590,832,583.55	-2,218,321,136.90	24,258,001,497.96
Including: Revenue from external transactions	12,310,169,285.13	2,906,874,135.86	3,894,369,063.19	1,556,342,681.06	3,128,057,939.50	462,188,393.22		24,258,001,497.96
Inter-segment revenue	1,900,379,523.40		189,297,423.17			128,644,190.33	-2,218,321,136.90	
2. Investment revenue generated from associates and joint ventures	27,041,991.49	499,761.66	1,599,877.37	708,972.34	116,947.64	1,318,521.21	-69,312.66	31,216,759.05
3. Impairment loss of assets	699,639,873.17	62,338,953.76	66,556,572.80	60,007,916.39	209,293,686.49	25,735,885.02	-801,809.22	1,122,771,078.41
4. Depreciation and amortisation expenses	467,147,916.17	113,849,678.93	22,758,617.36	22,104,360.58	116,992,850.40	15,534,731.78	-4,660,254.69	753,727,900.53
5. Total profit	608,342,140.72	-154,710,770.94	251,983,974.32	89,723,536.84	-437,735,769.97	170,206,864.39	-162,899,898.16	364,910,077.20
6. Income tax expenses	109,879,815.21	8,150,148.91	37,578,260.82	24,185,543.08	15,030,928.86	35,920,034.33		230,744,731.21
7. Net Profit	498,462,325.52	-162,860,919.85	214,405,713.51	65,537,993.76	-452,766,698.83	134,286,830.06	-162,899,898.18	134,165,345.99
8. Total asset	49,922,432,522.04	7,655,922,252.67	6,001,458,121.72	4,100,668,488.71	6,764,853,658.39	13,292,824,748.43	-25,576,677,495.89	62,161,482,296.07
9. Total liabilities	37,115,120,239.89	4,634,772,805.83	5,433,922,438.96	3,082,047,986.43	5,806,620,617.68	11,154,416,355.28	-19,070,470,127.05	48,156,430,317.02
10. Other material non-monetary items								
Including: Other non-monetary expenses (other than depreciation and amortisation expenses)								
Increase of long-term equity investments in associates and joint ventures under equity method								

Revenue from external transactions categorised by the geographical location of income sources and total non-current assets categorised by the geographical location of asset

(Expressed in Renminbi Yuan)

Items	Current period	Preceding period
Revenue generated from external transactions in PRC	18,795,528,989.19	19,923,396,081.14
Revenue generated from external transactions in other countries and regions	6,616,858,263.61	4,334,605,416.82
India	74,826,182.03	137,799,837.76
Pakistan	94,404,372.94	208,165,857.76
Ecuador	1,607,956,398.59	1,210,258,038.01
Turkey	2,301,379,237.39	795,238,395.67
Indonesia	1,327,567,267.03	1,204,588,098.49
Others	1,210,724,805.63	778,555,189.13
Sub-total	<u>25,412,387,252.80</u>	<u>24,258,001,497.96</u>

(Expressed in Renminbi Yuan)

Items	Balance at the end of period	Balance at the beginning of year
non-current assets based in PRC	8,033,881,788.72	8,216,316,340.93
non-current assets based in other countries and regions	_____	_____
Sub-total	<u>8,033,881,788.72</u>	<u>8,216,316,340.93</u>

II. MODIFIED INFORMATION TO THE DISCLOSURE OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

Due to part of the data contained in “VI. Other comprehensive income after tax” and “VII. Total comprehensive income” under the Consolidated Income Statement as set out in page 9 and 10 in the Results Announcement and page 83 and 84 of the Annual Report is incorrect, the Company would like to modify as follow:

Original content:

(Expressed in Renminbi Yuan)

Items	Note	Current period	Preceding period
VI. Other comprehensive income after tax		-321,038,700.14	-336,308,346.57
(I) Not reclassified subsequently to profit or loss			
1. Changes in remeasurement on the net defined benefit liability/asset			
2. Items attributable to investees under equity method that will not reclassified to profit or loss			
(II) To be reclassified subsequently to profit or loss		-321,038,700.14	-336,308,346.57
1. Items attributable to investees under equity method that may be reclassified to profit or loss			
2. Profit or loss from changes in fair value of available-for-sale financial assets			
3. Profit or loss from reclassification of held-to-maturity investments as available-for-sale assets			
4. Profit or loss on cash flow hedging		-321,399,801.87	-336,294,846.71
5. Translation difference of financial statements in foreign currencies		361,101.73	-13,499.86
VII. Total comprehensive income		-237,750,704.43	-202,143,000.58
Items attributable to owners of parent company		-124,827,172.29	230,101,030.96
Items attributable to minority interest		-112,923,532.14	-432,244,031.54

Modify as follow:*(Expressed in Renminbi Yuan)*

Items	Note	Current period	Preceding period
VI. Other comprehensive income after tax		-84,973,615.81	-336,308,346.57
(I) Not reclassified subsequently to profit or loss			
1. Changes in remeasurement on the net defined benefit liability/asset			
2. Items attributable to investees under equity method that will not reclassified to profit or loss			
(II) To be reclassified subsequently to profit or loss		-84,973,615.81	-336,308,346.57
1. Items attributable to investees under equity method that may be reclassified to profit or loss			
2. Profit or loss from changes in fair value of available-for-sale financial assets			
3. Profit or loss from reclassification of held-to-maturity investments as available-for-sale assets			
4. Profit or loss on cash flow hedging		-85,348,217.40	-336,294,846.71
5. Translation difference of financial statements in foreign currencies		374,601.59	-13,499.86
VII. Total comprehensive income		-1,685,620.10	-202,143,000.58
Items attributable to owners of parent company		111,237,912.04	230,101,030.96
Items attributable to minority interest		-112,923,532.14	-432,244,031.54

The Board has confirmed that the above supplemental and modified information do not have an impact on the other information disclosed in the Results Announcement and Annual Report.

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

Harbin, PRC
15 April 2016

As at the date of this announcement, the executive directors of the Company are Mr. Wu Weizhang, Mr. Zhang Ying-jian and Mr. Song Shi-qi; the non-executive director of the Company is Mr. Zou Lei; and the independent non-executive directors of the Company are Mr. Yu Bo, Mr. Liu Deng-qing and Mr. Yu Wen-xing.