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## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Harbin Bank Co., Ltd., you should at once hand this circular and the proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Bank.

Distribution of this circular into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this circular comes should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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**Harbin Bank Co., Ltd.**  
**哈爾濱銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6138)**

**(1) 2020 WORK REPORT OF THE BOARD OF DIRECTORS**  
**(2) 2020 WORK REPORT OF THE BOARD OF SUPERVISORS**  
**(3) 2020 FINAL ACCOUNT REPORT**  
**(4) 2021 FINANCIAL BUDGETS**  
**(5) 2020 PROFIT DISTRIBUTION PLAN**  
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**THE CHAIRMAN OF THE BOARD OF SUPERVISORS FOR 2020**  
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**TO ISSUE H SHARES**  
**AND**  
**NOTICE OF 2020 ANNUAL GENERAL MEETING**  
**NOTICE OF 2021 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING**  
**NOTICE OF 2021 FIRST H SHAREHOLDERS' CLASS MEETING**

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The Bank will convene the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China on Friday, 21 May 2021, at 8:30 a.m., 9:30 a.m. or immediately after the conclusion of the AGM and 10 a.m. or immediately after the conclusion of the Domestic Shareholders' Class Meeting, respectively. The notices of the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting are set out on pages 55 to 61 of this circular.

If you intend to appoint a proxy to attend the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable), you are required to complete and return the proxy forms in accordance with the instructions printed thereon as soon as possible. For H Shareholders, the proxy forms should be returned to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited (17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, Tel: 852-2862 8555), in any event served by hand, by post or by fax not less than 24 hours before the time stipulated for convening the AGM or the H Shareholders' Class Meeting. For Domestic Shareholders, the proxy forms should be returned to the Bank's Board of Directors' Office (No. 888 Shangjiang Street, Daoli District, Harbin 150070, Heilongjiang Province, China, Tel: 86-451-86779995), in any event served by hand, by post or by fax not less than 24 hours before the time stipulated for convening the AGM or the Domestic Shareholders' Class Meeting. Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable) if you so wish.

\* Harbin Bank Co., Ltd. is not an authorised institution within the meaning of the Banking Ordinance (Chapter 155 of Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Additional Tier 1 Capital”	has the meaning given to it in the Capital Management Rules
“AGM” or “Annual General Meeting” or “2020 AGM”	the 2020 annual general meeting or any adjourned meeting of the Bank to be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China on Friday, 21 May 2021 at 8:30 a.m.
“Articles of Association”	the articles of association of the Bank, as amended, revised or supplemented from time to time
“Bank” or “Company”	Harbin Bank Co., Ltd. (哈爾濱銀行股份有限公司), a joint stock company established in the PRC on 25 July 1997 with limited liability in accordance with the Company Law of the PRC (中華人民共和國公司法), and the H Shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 06138)
“Board” or “Board of Directors”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“CBIRC”	China Banking and Insurance Regulatory Commission
“CBRC”	former China Banking Regulatory Commission
“Company Law”	the Company Law of the PRC (中華人民共和國公司法), as enacted and adopted by the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective on 1 July 1994, as the same may be amended, supplemented and otherwise revised from time to time
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Bank
“Domestic Shareholder(s)”	holder(s) of Domestic Shares

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## DEFINITIONS

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“Domestic Shareholders’ Class Meeting”	the 2021 first class meeting of Domestic Shareholders or any adjourned meeting of the Bank to be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China on Friday, 21 May 2021 at 9:30 a.m. or immediately after the conclusion of the AGM
“Domestic Shares”	ordinary shares of a nominal value of RMB1.00 each issued by the Bank, which are subscribed for or credited as paid in RMB
“Group”	the Bank and its subsidiaries
“H Shareholder(s)”	holder(s) of H Shares
“H Shareholders’ Class Meeting”	the 2021 first class meeting of H Shareholders or any adjourned meeting of the Bank to be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China on Friday, 21 May 2021 at 10:00 a.m. or immediately after the conclusion of the Domestic Shareholders’ Class Meeting
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Bank, which are listed on the Hong Kong Stock Exchange (Stock Code: 06138) and subscribed and traded in Hong Kong dollars
“HB Leasing”	Harbin Bank Financial Leasing Co., Ltd.
“HBCF”	Harbin Bank Consumer Finance Co., Ltd.
“HK\$” or “HK Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise revised from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Joint Guidance Opinion”	the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier 1 Capital (關於商業銀行發行優先股補充一級資本的指導意見) jointly issued by the CBRC and the CSRC on 3 April 2014
“Latest Practicable Date”	19 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC” or “China”	the People’s Republic of China, for the purposes of this circular only, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	the lawful currency of the PRC
“Securities Law”	the Securities Laws of the PRC, as amended, supplemented and otherwise revised from time to time
“Share(s)”	Domestic Shares and/or H Shares of the Bank
“Shareholder(s)”	holder(s) of Shares
“State Council Guidance Opinion”	the Guidance Opinion of the State Council on the Launch of Preference Shares Pilot Scheme (國務院關於開展優先股試點的指導意見) issued by the State Council of the PRC on 30 November 2013
“Supervisor(s)”	the supervisor(s) of the Bank

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## LETTER FROM THE BOARD

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**Harbin Bank Co., Ltd.**  
**哈爾濱銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6138)**

**Members of the Board:**

*Executive Directors:*

Mr. Deng Xinquan  
Mr. Lyu Tianjun  
Ms. Sun Feixia

*Non-executive Directors:*

Mr. Zhao Hongbo  
Mr. Zhang Xianjun  
Mr. Yu Hong  
Mr. Lang Shufeng

*Independent Non-executive Directors:*

Mr. Sun Yan  
Mr. Zhang Zheng  
Mr. Hou Bojian  
Mr. Jin Qinglu

**Registered Address:**

No. 160 Shangzhi Street  
Daoli District  
Harbin  
Heilongjiang Province  
PRC

**Principal Place of Business in**

**Hong Kong:**

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

21 April 2021

To the Shareholders,

### **1. INTRODUCTION**

The purpose of this circular is to provide you with all the information of the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable).

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## LETTER FROM THE BOARD

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### **2. BUSINESS TO BE TRANSACTED AT THE AGM, THE DOMESTIC SHAREHOLDERS' CLASS MEETING AND THE H SHAREHOLDERS' CLASS MEETING**

The business to be transacted at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting is specified in the respective notice of the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting set out on pages 55 to 61 of this circular. Resolutions to be proposed at the AGM by way of ordinary resolutions include: (1) 2020 work report of the Board of Directors; (2) 2020 work report of the Board of Supervisors; (3) 2020 final account report; (4) 2021 financial budgets; (5) 2020 profit distribution plan; (6) 2020 annual report; (7) proposed appointment of auditors for 2021; (8) report on the management of related party transactions in 2020; (9) the remuneration distribution plan for the executive Directors for 2020; and (10) the remuneration distribution plan for the Chairman of the Board of Supervisors for 2020. A resolution to be proposed at the AGM by way of special resolutions is: (11) proposal on granting the Board a general mandate to issue H Shares. The above proposed resolution numbered (11) is also subject to the approval by Shareholders at each of the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting by way of special resolutions.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, and to make informed decisions upon obtaining sufficient and necessary information, we have provided detailed information in Appendix I to this circular, including explanatory information on the resolutions to be proposed at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

In addition, the *2020 Appraisal of the Directors, Supervisors and Senior Management by the Board of Supervisors* will be presented to the Shareholders at the AGM.

### **3. THE AGM, THE DOMESTIC SHAREHOLDERS' CLASS MEETING AND THE H SHAREHOLDERS' CLASS MEETING**

The Bank will convene the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China on Friday, 21 May 2021, at 8:30 a.m., 9:30 a.m. or immediately after the conclusion of the AGM, and 10 a.m. or immediately after the conclusion of the Domestic Shareholders' Class Meeting, respectively. The notices of the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting are set out on pages 55 to 61 of this circular. The proxy forms for use at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting are also enclosed herewith.

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## LETTER FROM THE BOARD

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If you intend to appoint a proxy to attend the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable), you are required to complete and return the proxy forms in accordance with the instructions printed thereon as soon as possible. For H Shareholders, the proxy forms should be returned to Computershare Hong Kong Investor Services Limited (17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, Tel: 852-2862 8555), in any event served by hand, by post or by fax not less than 24 hours before the time stipulated for convening the AGM or the H Shareholders' Class Meeting. For Domestic Shareholders, the proxy forms should be returned to the Bank's Board of Directors' Office (No. 888 Shangjiang Street, Daoli District, Harbin 150070, Heilongjiang Province, China, Tel: 86-451-86779995), in any event served by hand, by post or by fax not less than 24 hours before the time stipulated for convening the AGM or the Domestic Shareholders' Class Meeting. Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable) if you so wish.

#### 4. VOTING BY POLL

According to the Hong Kong Listing Rules, any vote of Shareholders at a Shareholders' general meeting, a Domestic Shareholders' class meeting and an H Shareholders' class meeting must be taken by poll. Results of the poll voting will be published on the Bank's website at [www.hrbb.com.cn](http://www.hrbb.com.cn) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

#### 5. RECOMMENDATION

The Board of Directors considers that all resolutions to be proposed at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively are in the best interests of the Bank and its Shareholders as a whole. Accordingly, the Board of Directors recommends that the Shareholders vote in favour of all the aforesaid proposed resolutions.

By order of the Board of Directors  
**Harbin Bank Co., Ltd.**  
**Deng Xinquan**  
*Chairman*



**I. 2020 WORK REPORT OF THE BOARD OF DIRECTORS**

The 2020 Work Report of the Board of Directors has been considered and approved at a meeting of the Board held on 31 March 2021 in accordance with the relevant provisions of the laws and regulations and the Articles of Association, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

Details of the 2020 Work Report of the Board of Directors are set out in Annex A to this circular.

**II. 2020 WORK REPORT OF THE BOARD OF SUPERVISORS**

The 2020 Work Report of the Board of Supervisors has been considered and approved at a meeting of the Board of Supervisors held on 31 March 2021 in accordance with the relevant provisions of the laws and regulations and the Articles of Association, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

Details of the 2020 Work Report of the Board of Supervisors are set out in Annex B to this circular.

**III. 2020 FINAL ACCOUNT REPORT**

The 2020 Final Account Report of the Bank has been considered and approved at a meeting of the Board held on 31 March 2021, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

Details of the 2020 Final Account Report are set out in Annex C to this circular.

**IV. 2021 FINANCIAL BUDGETS****(1) Principal directions**

In accordance with the fundamental principles of “refined management, strict cost control, and sustaining certain expenses while reducing certain other expenses”, insisting on the idea of “tightening our belts”, to make reasonable allocation of financial resources, optimise the expenditure structure, enhance efforts in sustaining key areas and rigid expenses, further promote technological empowerment, accelerate the improvement of asset quality, and promote the sustainable and healthy development of various businesses; to continue to promote cost reduction and efficiency enhancement, drastically reduce non-urgent and non-rigid expenses, ensure the optimal operating results and targets, and promote the achievement of the annual targets.

**(2) Proposed financial budgets****(a) Operating expenses budget.**

The 2021 budget for operating expenses (net of taxes and surcharges, non-business expenditure and other business costs) of the Group will be RMB5,299 million, representing an increase of RMB699 million or 15.19% compared with the amount incurred in last year, of which RMB4,264 million, RMB593 million, RMB158 million and RMB284 million will be allotted to the Bank, the village and township banks, HB Leasing and HBCF, respectively.

**Table 1. Budget of 2021 operating expenses by organisations***Unit: RMB100 million, %*

<b>Organisation</b>	<b>Amount incurred in 2020</b>	<b>2021 budget</b>	<b>Increase as compared to 2020</b>	<b>Percentage of increase</b>
The Bank	38.375	42.640	4.265	11.11%
32 village and township banks	4.558	5.934	1.376	30.19%
HB Leasing	1.172	1.581	0.409	34.90%
HBCF	1.898	2.835	0.937	49.37%
<b>Total</b>	<b>46.003</b>	<b>52.990</b>	<b>6.987</b>	<b>15.19%</b>

First, the budget for staff costs amount to RMB2,643 million, representing an increase of RMB216 million or 9% compared with the amount incurred in last year, primarily attributable to the expected increase in social insurance and provident fund expenses of RMB222 million compared with last year (RMB195 million for the Bank and RMB27 million for the subsidiaries) as a result of the cancellation of preferential policies reducing or exempting social insurance payments during the pandemic and the annual adjustment of social security and provident fund contribution base in 2021; the increase in expense of RMB40 million due to the Group's implementation of enterprise annuity; as to the Bank, the increase in employees' salaries of RMB20 million for the year as a result of employees' promotion in the previous year while reducing bonuses, employee benefits and other expenses by RMB143 million; as to the subsidiaries, the increase in expenses relating to salaries and bonuses of RMB43 million as a result of the increased human resource costs for the year due to the job promotion in the previous year, as well as reasons such as the proposed recruitment, job promotion, remuneration optimisation and additional senior management members.

Second, the budget for depreciation and amortisation amount to RMB890 million, representing an increase of RMB109 million or 14% compared with the amount incurred in last year, primarily attributable to the transfer of owned properties to fixed assets and the increased IT investments, which results in a corresponding increase in depreciation and amortisation. In order to enhance the applicability of fintech, the Group has constantly increased its IT investments in recent years, with the depreciation and amortisation of existing assets growing by approximately 10% annually. In addition, the Group plans to carry out computer room facility renovation and maintenance optimisation, procure necessary system hardware resources, update the obsolete network equipment and increase efforts in application system development in 2021, in order to ensure safe operation and regulatory compliance and cater to business needs, which results in a corresponding increase in depreciation and amortisation.

Third, the budget for other operating expenses amount to RMB1,766 million, representing an increase of RMB374 million or 27% compared with the amount incurred in last year. Among which, the Bank has a budget of RMB200 million for attorney agency expenses (on the basis of risk agency, no payment shall be made before any collection) and litigation expenses in relation to its intensified non-performing asset collection, and RMB88 million for new business development such as the Meituan co-branded card for the credit card center at the head office, and card making and bill mailing expenses for new business. In 2021, utilities, postal fee, printing fee and other expenses will return to normal levels after their decreases compared with prior years in 2020 due to the pandemic. In order to further reduce expenses, the Bank will reduce the overall scale and expenses of proposed establishment in 2021 by not establishing new branches, and implement cost reduction and efficiency enhancement measures to reduce flexible expenditures such as travel expenses, entertainment expenses and conference expenses. The subsidiaries have a budget of RMB5 million for the repair and security expenses to be incurred by village and township banks to meet the policies and requirements of the government, regulatory, public security and fire protection authorities, RMB18 million for the litigation expenses and attorney consultation expenses to be incurred by village and township banks and HB Leasing to strengthen their collection of non-performing loans, RMB19 million for the leasing, property and management expenses to be incurred by HB Leasing, RMB37 million for the expenses in relation to technical services, third-party payment charges, bank charges, debt collection, credit inquiry and marketing to be incurred by HBCF due to its business expansion.

**Table 2. Budget of 2021 operating expenses by categories***Unit: RMB100 million*

	<b>The Group</b>		
	<b>2020 (incurred)</b>	<b>2021 (budget)</b>	<b>Rate of year-on- year change</b>
Staff costs	24.27	26.43	2.16
Depreciation and amortisation	7.81	8.9	1.09
Other operating expenses	13.93	17.66	3.74
<b>Total</b>	<b>46.00</b>	<b>52.99</b>	<b>6.99</b>

  

	<b>The Company</b>		
	<b>2020 (incurred)</b>	<b>2021 (budget)</b>	<b>Rate of year-on- year change</b>
Staff costs	20.10	21.16	1.06
Depreciation and amortisation	6.97	7.80	0.83
Other operating expenses	11.31	13.69	2.38
<b>Total</b>	<b>38.38</b>	<b>42.64</b>	<b>4.27</b>

**(b) Capital expenditure budget.**

In 2021, the Group's capital expenditure budget amount to RMB873 million, representing an increase of RMB84 million or 10.6% compared with the amount incurred in last year, which includes fixed asset budget of RMB275 million (primarily including procurement of technological hardware equipment and the renovation of owned properties approved in prior years), intangible asset budget of RMB500 million (primarily including investment in application system development) and long-term prepaid expenses of RMB98 million (primarily including renovation of leased properties).

The 2021 financial budgets have been considered and approved at a meeting of the Board held on 31 March 2021, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

**V. 2020 PROFIT DISTRIBUTION PLAN**

In accordance with the audit results for 2020 and provisions of the relevant laws and regulations, the proposed distribution is as follows:

- (1) Allocation to the statutory surplus reserve: RMB104 million.
- (2) No general risk reserve allocation as the balance of general risk reserve already met the requirement of exceeding 1.5% of the closing balance of the risk assets.
- (3) No cash dividend.
- (4) Undistributed profit of the parent company amounting to RMB18,196 million will be carried forward to the next year.

**Annex:****Profit Distribution of Harbin Bank for the year 2020**

*Unit: RMB100 million*

Item	2019 actual amount	2020 proposed amount
1. Net profit	35.71	10.44
Add: Undistributed profit as at the beginning of the year	154.23	183.56
Less: Distribution to owners (Distribution for the previous year)	—	11.00
2. Distributable Profit	189.94	183.01
Less: Contribution to statutory reserve	3.57	1.04
Appropriation to general reserve (Actual amount)	2.81	—
Appropriation to general reserve (Proposed amount)	—	—
Contribution to any accumulation fund	—	—
3. Balance of undistributed profit	183.56	181.96
Less: Dividends payable (Proposed distribution for the year)	—	—
4. Undistributed profit after distribution according to the plan	<u>183.56</u>	<u>181.96</u>

The above profit distribution plan has been considered and passed at a meeting of the Board held on 31 March 2021, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

## **VI. 2020 ANNUAL REPORT**

For details, please refer to the 2020 Annual Report published by the Bank.

The 2020 Annual Report has been considered and approved at a meeting of the Board held on 31 March 2021, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

## **VII. PROPOSED APPOINTMENT OF AUDITORS FOR 2021**

In 2020, as approved by the Board and the Shareholders' general meeting, the Company appointed Ernst & Young and Ernst & Young Hua Ming LLP (collectively, "Ernst & Young") as the international and domestic auditors of the Company for 2020 to be responsible for the audit of the consolidated and parent company financial statements for 2020, respectively, which were prepared by the Company in accordance with the International Financial Reporting Standards and China Accounting Standards for Business Enterprises. According to the relevant requirements of the Administrative Measures for State-owned Financial Enterprises to Select and Appoint Accounting Firms (Cai Jin [2020] No. 6) (《國有金融企業選聘會計師事務所管理辦法》(財金 [2020] 6號)) issued by the Ministry of Finance, the term that a state-owned financial enterprise may consecutively engage the same auditors shall not exceed eight years. Upon completion of the 2020 audit engagement, the Company has appointed Ernst & Young as the external auditors of the Company for eight consecutive years. In accordance with relevant laws and regulations, the Company organised and carried out the selection and appointment of the auditors for 2021. The Company has communicated with Ernst & Young in advance regarding the appointment of new auditors and Ernst & Young has no objection to such appointment.

In order to maintain the continuity and stability of the audit, ensure the quality of auditing work, and continuously improve the quality of financial report disclosure and the social recognition of our audit reports, taking into account the actual circumstance and audit needs of the Company while following the principles of openness, fairness, impartiality, honesty and credibility, the Company performed the tender and bidding procedures to select and appoint the auditors to provide annual audit and interim review in respect of the consolidated and parent company financial statements of the Company in 2021, and to provide other professional services in accordance with regulatory requirements and needs arising from the Company's actual business development.

According to the statutory tender process, through a comprehensive comparison of the qualifications, independence, professionalism, professional ethics and peer audit experience of various auditors and other factors, as reviewed and approved by the Audit Committee, it is proposed to appoint BDO China Shu Lun Pan Certified Public Accountants LLP and BDO Limited as the external domestic and international auditors of the Company for 2021. The

aggregate fee for the audit of consolidated and parent company financial statements of the Company in 2021 (in accordance with the International Financial Reporting Standards and China Accounting Standards for Business Enterprises) and the review of the interim financial statements in 2021 (in accordance with the International Financial Reporting Standards) are expected to be RMB4.85 million (tax inclusive). The audit fee standard is mainly determined based on a combination of factors, including the Company's business scale, work requirements, level of complexity, and the professional knowledge and work experience of the various levels of staff who actually participate in the business.

The above proposal has been considered and approved at a meeting of the Board held on 31 March 2021, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

#### **VIII. REPORT ON THE MANAGEMENT OF RELATED PARTY TRANSACTIONS IN 2020**

The Report on the Management of Related Party Transactions in 2020 has been considered and approved at a meeting of the Board held on 31 March 2021, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

Details of the Report on the Management of Related Party Transactions in 2020 are set out in Annex D to this circular.

#### **IX. THE REMUNERATION DISTRIBUTION PLAN FOR THE EXECUTIVE DIRECTORS FOR 2020**

In accordance with the relevant requirements of the Guidelines for Corporate Governance of Commercial Banks of the CBIRC and the Articles of Association, and based on the performance evaluation and assessment results of the executive Directors of the Company, the remuneration distribution plan for the executive Directors for 2020 is proposed as follows:

*Unit: RMB10 thousand (before tax)*

Name	Position	Remuneration and allowances	Discretionary bonuses	Scheme contributions	Total emoluments before tax	Of which: deferred payment	Actual amount paid
Guo Zhiwen	Executive Director Chairman	77.40	101.58	0.00	178.98	8.44	170.54
Lyu Tianjun	Executive Director President	57.60	166.13	1.13	224.86	60.60	164.26
Sun Feixia	Executive Director Vice Chairman Secretary of the Board	46.81	128.33	0.00	175.14	39.16	135.98

The remuneration distribution plan for the executive Directors for 2020 has been considered and approved at a meeting of the Board held on 31 March 2021, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

#### **X. THE REMUNERATION DISTRIBUTION PLAN FOR THE CHAIRMAN OF THE BOARD OF SUPERVISORS FOR 2020**

In accordance with the relevant requirements of the Guidelines for Corporate Governance of Commercial Banks of the CBIRC and the Articles of Association, and based on the performance evaluation and assessment results of the Chairman of the Board of Supervisors for 2020, the remuneration distribution plan for the Chairman of the Board of Supervisors for 2020 is proposed as follows:

*Unit: RMB10 thousand (before tax)*

Name	Position	Remuneration and allowances	Discretionary bonuses	Scheme contributions	Total emoluments before tax	Of which: deferred payment	Actual amount paid
Deng Xinquan	Employee Representative Supervisor and Chairman of the Board of Supervisors	55.20	103.20	0.00	158.40	52.60	105.80

The remuneration distribution plan for the Chairman of the Board of Supervisors for 2020 has been considered and approved at a meeting of the Board of Supervisors held on 30 March 2021, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

#### **XI. PROPOSAL ON GRANTING THE BOARD A GENERAL MANDATE TO ISSUE H SHARES**

To meet the needs of the Bank's development, it is proposed by the Board that the AGM considers and approves granting the Board a general mandate to issue additional H Shares by way of a special resolution, the details of which are as follows:

- (1) Subject to the conditions set out below, the Board or the Directors authorised by the Board be granted an unconditional and general mandate to issue, allot and deal with additional H Shares in the share capital of the Bank and to make or grant offers, agreements or options in respect of such H Shares:
  - (a) save as in relation to offers, agreements or options made or granted by the Board during the Relevant Period (defined as below) which might require to be conducted or exercised after the end of the Relevant Period, the mandate shall not exceed the Relevant Period;



- (b) the aggregate nominal value of H Shares of the Bank to be allotted and issued, or agreed (conditionally or unconditionally) to be allotted and issued (whether pursuant to an option or otherwise), by the Board shall not exceed 20% of the aggregate nominal value of the issued H Shares of the Bank at the date on which the relevant resolution is passed at the AGM; and
  - (c) the Board will only exercise its power under the mandate mentioned above in accordance with the Company Law (as amended from time to time) and the Hong Kong Listing Rules (as amended from time to time) and after obtaining the approvals of the CSRC and/or other relevant PRC government authorities.
- (2) In respect of this proposal:

The “Relevant Period” means the period from the date of passing the relevant resolution until the earliest of:

  - (a) the conclusion of the next annual general meeting of the Bank following the passing of the relevant resolution;
  - (b) the expiration of the 12-month period following the passing of the relevant resolution; or
  - (c) the revocation or variation of the authority granted under the relevant resolution by the Bank at a Shareholders’ general meeting.
- (3) After the resolution on the issuance of H Shares pursuant to the authorisation specified in item (1), the Board or the Director authorised by the Board is hereby authorised to:
  - (a) approving, executing, doing, procuring to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new H Shares, including but not limited to determining the time and place of issue, the specific issuance plan (including but not limited to the method of pricing, issuance price/price range, issuance size, target subscribers and engagement of intermediaries), making all necessary applications to the relevant authorities and entering into underwriting agreements (or any other agreements);
  - (b) determining the use of proceeds and making relevant applications and necessary filings and registrations with the relevant authorities in the PRC, Hong Kong and other authorities; and

- (c) increasing the registered share capital of the Bank pursuant to the issuance of H Shares and making such amendments to the Articles of Association as it thinks fit so as to reflect the corresponding changes in registered share capital, total share capital and shareholding structure of the Bank.

The above proposal has been considered and approved at a meeting of the Board held on 31 March 2021, and will be put forward at the AGM for Shareholders' consideration and approval by way of a special resolution.

In 2020, the Board of Directors of the Harbin Bank Co., Ltd. (哈爾濱銀行股份有限公司) (the “**Company**”) faithfully, diligently and prudently performed its duties in strict accordance with laws, regulations, regulatory requirements and the Articles of Association, strictly implemented the resolutions of the Shareholders’ general meetings and continued to improve corporate governance. The Company accurately grasped the macroeconomic environment, actively responded to the changes in the market environment, maintained the principle of steady improvement, continued to optimise business structure, strictly controlled business risks, kept up steady operation and effectively fulfilled its corporal social responsibilities, in order to provide financial support for the development of real economy and strive to create value for customers and Shareholders.

At the beginning of 2020, the sudden outbreak of the COVID-19 pandemic had tremendous impact on the lives and well-being of people around the globe, as well as profound influence on the global economic development. In strict compliance with the government policies on pandemic prevention and control, the Company spared no efforts in mitigating the impact of the pandemic to ensure steady operation, effective implementation of the anti-pandemic measures and the health and safety of the employees. During the pandemic, the Company timely introduced special financial service policies to fully guarantee the quality of customer service, implemented the national policy of delayed principle and interest repayment for micro, small and medium sized enterprises to vigorously support enterprises to resume production and work, and immediately donated RMB5 million to key pandemic prevention enterprises, demonstrating the Company’s strong sense of social responsibilities.

In 2020, Harbin Bank achieved net profit of RMB746 million attributable to the Shareholders of the Company, representing a year-on-year decrease of 79.4%; achieved an earnings per share of RMB0.07; achieved an average return on total assets of 0.13% and an average return on equity of 1.51%; had a non-performing loan ratio of 2.97% and a provision coverage ratio of 133.26%; and had a capital adequacy ratio of 12.59%. As of 31 December 2020, the Company’s total assets amounted to RMB598.6 billion, representing an increase of 2.66% as compared to the end of last year.

## **I. THE BOARD OPERATED EFFICIENTLY IN COMPLIANCE WITH LAWS AND REGULATIONS AND CONSTANTLY IMPROVED CORPORATE GOVERNANCE**

In 2020, the Board of Directors of the Company strictly complied with domestic and overseas regulatory laws and regulations and guidelines for listed companies, and performed various duties assigned to the Board of Directors by the Articles of Association. All Directors diligently ensured efficient operation and scientific decision-making and provided a large number of constructive opinions and recommendations for the Company’s development. During the year, the Board of Directors of the Company convened a total of 2 general meetings and 2 class meetings, during which 27 reports were presented. The Board of Directors of the Company convened a total of 6 regular board meetings and 4 extraordinary board meetings, during which an aggregate of 101 resolutions and reports were presented and considered. The committees under the Board of Directors convened 32 meetings, during which an aggregate of 109 resolutions and reports were presented and considered. In 2020, the Company successfully

completed the adjustment to the Directors, with each of the two substantial Shareholders nominating two equity Directors and the resignation of equity Directors nominated by other Shareholders, the structure of the Board of Directors of the Company was further optimised. The Company gave full play to the core role of the Articles of Association in the corporate governance and made timely revisions to the Articles of Association in accordance with regulatory policies and regulations and the actual operation and management of the Company, which has been approved by the regulatory authorities.

## **II. MAINTAINED THE LEADING POSITION OF STRATEGIES AND SERVED THE REAL ECONOMY TO BOOST QUALITY AND EFFICIENCY**

In rigorous compliance the national economic and financial policies, the Board of Directors of the Company surrendered certain receivables for the benefit of the real economy so as to guide the Company to continuously improve the quality and efficiency of serving the real economy. In 2020, the Company intensified its efforts in “Stabilisation Loans (“雙穩”貸款)”, leading the region in terms of scale, and actively participated in “Top Hundred Projects (百大項目)” and the “Bank-Enterprise Cooperation (百行進萬企)”, demonstrating its sense of responsibility as a local legal person, which maintained sound development momentum for inclusive microcredit loans, fully fulfilled the evaluation indicators on the “Two Increases (兩增)” set by the CBIRC and excessively completed the regulatory missions of the small enterprises supporting re-lending program for the year. The Company persisted in characteristic development and continued to develop its featured business areas. For Sino-Russia financial services, the Company successfully obtained the qualification of a direct participating bank of Cross-border Interbank Payment System (CIPS), prepared for the construction of Sino-Russia settlement service centers in new regions and established the first NRA account settlement business in the free trade zone. For agriculture-benefiting finance business, the Company set up 33 large-scale farmers benefiting clubs, further serving over 7,000 households, thus realising full online operation. The featured business of agricultural machinery of HB Leasing initiated by the Company progressed satisfyingly, and HBCF strove to provide expedient consumption credit services for low and middle-income customers to address their needs for daily necessities.

## **III. OPTIMISED CAPITAL MANAGEMENT AND COMPREHENSIVELY IMPROVED RISK MANAGEMENT AND CONTROL**

The Company continued to improve its capital management capacity, formulated the annual capital adequacy ratio management plan and carried out the annual internal capital adequacy assessment. In addition, the Company maintained a reasonable pace in external investments and replenished the capital for subsidiaries in due course. In 2020, the Board of Directors of the Company vehemently promoted innovation in capital replenishment methods, formulated the issuance of capital supplemental bonds without a fixed term in an amount of not more than RMB15 billion and the issuance of tier-2 capital instrument in an amount of not more than RMB20 billion and sped up the capital replenishment, of which, the issuance of capital supplemental bonds without a fixed term has been formally approved by the Heilongjiang Banking and Insurance Regulatory Bureau. The Board of Directors of the

Company effectively performed its risk management and control responsibilities. In addition to regularly reviewing regular reports such as risk management reports, risk management policies, large risk exposure management reports, anti-money laundering reports, information technology risk overall assessment reports and case risk investigation reports, the Board of Directors of the Company focused on the Company's liquidity risks and off-balance sheet wealth management business risks, thus guiding the Company in further enhancing its comprehensive risk management capacity and holding the bottom line of operating risks in the severe and complicated environment.

#### **IV. STRENGTHENED SHAREHOLDER EQUITY MANAGEMENT AND CONTINUED TO IMPROVE RELATIONSHIP MANAGEMENT**

In 2020, the Board of Directors of the Company actively performed its duties in the management of equity-related affairs, intensified equity management comprehensively, conducted strict shareholder qualification review, including the approval and filing for shareholder qualification in accordance with regulatory requirements. The Board of Directors regularly assessed the shareholder qualification of substantial Shareholders, established the equity management system, implemented the requirements in the Shareholder's report, strengthened the dynamic monitoring of H Shareholders and regulated the equity pledge of Shareholders. For Shareholders yet to obtain approval for their shareholder qualifications, yet to complete the filing of their shareholder qualifications or otherwise in violation of the equity management regulations, the Company restricted the relevant Shareholders' rights in accordance with the law. Moreover, the Company further improved its related party transaction management by formulating the Rules for the Implementation of Related Party Transactions and strengthening the awareness of related party transaction compliance management of the relevant business departments of the Company. The Board of Directors strictly adhered to the internal approval process for related party transactions, and timely reported major related party transactions to the regulatory departments and the Board of Supervisors of the Company in compliance with regulations. The Company continued to improve the standards in identifying related parties, quickly updated the list of related parties, actively expanded means of initiative related party identification and effectively enhanced the related party penetration management in line with the principle of substance over form, thus intensifying the efforts in the verification of related parties of the substantial Shareholders.

#### **V. PERFORMED THE DUTIES OF INFORMATION DISCLOSURE ACCORDING TO LAW AND PROTECTED THE IMAGE IN CAPITAL MARKET**

The Company strictly followed the Listing Rules of Hong Kong Stock Exchange and regulated its information disclosure. In 2020, the Company made the announcements on the amendments to the Articles of Association, insider information and the changes in Directors and Supervisors. In aggregate, the Company issued 58 interim announcements in Chinese and/or English, 36 regular reports in Chinese and/or English, and timely consulted on the policies and regulations with the Hong Kong Stock Exchange, ensuring compliance with disclosure requirements of major events. The Company continuously improved the quality of information disclosure, fully implemented domestic and overseas regulatory requirements, and

improved and enriched the content of the annual report. Highly valuing investor relationship management, the Company held online press conferences for annual (interim) results, during which it actively demonstrated the Company's operation and development and investment value to domestic and overseas investors and analyzers, and timely responded to enquiries by domestic and overseas investors and media in relation to the results announcement and equity changes, actively protecting its image in the capital market.

## **VI. ENHANCED INTERNAL CONTROL AND COMPLIANCE DEVELOPMENT AND GAVE FULL PLAY TO AUDIT**

Highly valuing internal control and compliance development, the Board of Directors of the Company strictly carried out various regulatory requirements, effectively raised awareness in compliance, strengthened internal control and rigid control, continuously improved the authorisation management system, gave play to internal control evaluation to improve the risk identification and monitoring analysis capacity, reinforce weak link management and strictly prevent and control case risks. The Board of Directors of the Company prudently reviewed the major business audit reports on remuneration evaluation, market risk, liquidity risk, wealth management business and business continuity, and carefully considered the work reports and management advices from external auditors. The Company further improved the effectiveness of internal audits, broadened the scope of audit, kept abreast of accurate operation and management issues, and promoted the rectification of issues identified in audit inspections.

The term of the seventh session of the Board of Directors of the Company, which has witnessed an important period for the Company's transformation and development, has been expired in February 2021. The entire staff of the Company persisted in their excellent work in spite of the challenges and difficulties, yielding satisfying results: firstly, the operating results remained favorable. The asset size of the Company once exceeded RMB600 billion, with cumulative net profit for the past three years at approximately RMB10 billion and cumulative dividend at RMB1.649 billion. Secondly, comprehensive improvement in governance. The Company constantly improved its governance structure, risk management and control capacity and internal control system, with more reasonable and effective incentives and restraints and an increasingly supportive role played by information technology. Thirdly, constructed a pattern for group management. HB Leasing improved in size, efficiency and effect of a characteristic agricultural machinery leasing brand; HBCF successfully introduced strategic investment which significantly increased its capital strength, set up the village and township bank management headquarters and comprehensively strengthened the professional management of village and township banks. Fourthly, market position continued to consolidate. Among the financial institutions in the Heilongjiang Province, the Company ranks the first in terms of asset size, tax contribution and profitability, further consolidating its leading position in the Harbin market, with numerous branches inside or outside of the province improving the ranks in their respective regional markets. Fifthly, significant results in risk mitigation. The Company proactively investigated and exposed hidden defects and sped up the resolution of key customer risks to improve the level of cash collection, increasing the provision and write-off of non-performing assets. Sixthly, solid progress in team management. The Company

built a harmonious, enterprising, efficient and pragmatic senior management team, strengthened the construction of cadre echelon, and trained and selected a group of outstanding young middle-level cadres to further replenish the management team.

2021 is the opening of the Company's new three-year strategic plan. The Board of Directors of the Company will actively adapt to changes in the domestic and international economic and financial position, keep up with the macroeconomic policy and regulatory policy orientation, and strive to improve operating quality and efficiency, profitability and Shareholders' returns in accordance with the principle of "steady improvement" and in consideration of the Company's actual operating and market environment. In particular, the Board of Directors worked on the following areas: Firstly, maintained the leading position of strategies, closely followed the national development strategies and scientifically formulated the 2021-2023 Strategic Development Plan. Secondly, improved the quality and efficiency in service to the real economy, continued to optimise the credit structure, vigorously supported, among others, the construction of major national and local projects, strategic emerging industries and livelihood services. Thirdly, adhered to differentiated and characteristic development, focused on featured businesses such as Sino-Russia finance, agriculture-benefiting finance, financial services to micro, small and medium-sized enterprises, improving the featured brand image and market competitiveness. Fourthly, constantly improved the Company's governance capacity, integrated the Party's leadership with corporate governance, and elevated the level of performance by the Directors and Supervisors, ensuring the efficient operation of the Board of Directors, Board of Supervisors, Shareholders' general meeting and the senior management, which provided a strong foundation for operation and development. Fifthly, comprehensively enhanced risk management, adhered to compliant operation, improved the internal control and management mechanism, and held the bottom line for risk exposure. With the support of the Shareholders' general meetings and under the supervision of the Board of Supervisors, the Board of Directors of the Company will lead the way of high-quality development, in order to greet the 100th anniversary of the founding of the Party with favorable operating results.

Report is hereby given.



In 2020, under the guidance of Heilongjiang Branch of the CBIRC and with the close support and cooperation from the Board of Directors and the senior management of the Company, the Board of Supervisors of the Company performed its duties mandated by the Company Law and the Articles of Association and centred around the Group's strategies, operating decisions and key management issues, diligently and faithfully fulfilled its duties, earnestly safeguarded the interests of the Company, Shareholders, employees and related parties, independently and effectively exercised its powers according to the law, continuously improved the level of corporate governance, and successfully completed all tasks. We hereby report our work for 2020 as follows:

## **I. MAJOR WORK OF THE BOARD OF SUPERVISORS**

### **(I) Convening the meetings in a standardized way and reviewing and supervising major issues.**

The Board of Supervisors adhered to standardized operation in accordance with the law, effectively implemented the resolution consideration system, and timely convened meetings of the Board of Supervisors and its special committees. During the reporting period, the Board of Supervisors convened 6 meetings and considered 24 proposals at the meetings; the special committees convened 9 meetings and considered 17 proposals. The proposals being considered included the annual and interim reports of the Company, the work report of the Board of Supervisors, the profit distribution report, the performance evaluation reports of the Board of Directors and its Directors, the Supervisors and the senior management, the audit report of the senior management in respect of their resignation, the strategy evaluation report and the internal control appraisal report. All Supervisors attended the meetings in time according to the requirements of their duties. At the meetings, they actively contributed to the discussions and expressed their independent and objective opinions. The number of meetings and procedures for the meetings were in accordance with the requirements of the regulations.

### **(II) Attending meetings according to the law and supervising operation decision-making in a timely manner.**

The Supervisors attended the 9 Shareholders' general meeting and the Board meetings and attended 3 annual and quarterly working meetings during the year. At the meetings, the Supervisors supervised the legality and compliance of the procedures and proposals in accordance with the regulations, learned the operations, financial management, risk management, internal control and various major issues of the Bank, and supervised the participation of the Directors and the senior management in decision-making and operation.



**(III) Focusing on implementation of interviews and conducting in-depth supervision of operation management.**

During the reporting period, the Board of Supervisors interviewed four branches and eight village and township banks, paid special attention to their operation management, risks, internal control, implementation of regulatory opinions and rectification measures adopted, as well as the difficulties and problems encountered in the work, and proposed rectification suggestions; interviewed the Human Resources Department to supervise the group-wide remuneration management systems, policies and human resources management work; interviewed departments including the Internal Audit Department, the Compliance Management Department, the Risk Management Department, the Credit Management Department, the Investment Banking Department and the Asset Management Department to supervise risk management, internal control and key businesses. 19 meeting minutes were formed during the year, with 132 suggestions in the areas of risk prevention measures, compliance and internal control management, leadership team building, talent team building, innovative technology service, village and township banks' equity structure optimization, and construction of honest and clean Party conduct, which were highly valued by the Board of Directors and the senior management, and subsequently carried out and implemented in a timely manner.

**(IV) Carrying out objective evaluations and promoting the performance effectiveness.**

During the reporting period, the Board of Supervisors continued to evaluate the performance of the Board of Directors, the senior management and their members in accordance with the requirements of the Articles of Association and the systems relating to the evaluation of performance. Through attending relevant meetings, investigations and interviews, carrying out responsibility audit, reviewing documents and other methods, the Board of Supervisors monitored the performance of the Board of Directors, the senior management and their members in terms of material strategic decision-makings and their implementation, operation management, risk and internal control management and other aspects. At the end of the year, based on the work performance, management effectiveness as well as integrity and self-discipline, the Board of Supervisors implemented multi-dimensional performance evaluation for the Board of Directors, the senior management and their members, in order to continuously improve their work ability and duty performance.

**(V) Strengthening self-construction and continuously improving its own capabilities.**

Firstly, the Board of Supervisors maintained a stable supervisory structure. During the reporting period, Mr. Liu Mo resigned from a shareholder representative Supervisor due to job changes. The Board of Supervisors organized and standardized the election of a new external Supervisor in a timely manner to ensure the stability of the supervisory structure and the good operation of the Board of Supervisors. Secondly, the Board of Supervisor organized special investigation and research. During the reporting period, the Supervisors of the Company completed the Research Report on the Group Management Model of Internal Control and Compliance of Harbin Bank, so as to ensure the effectiveness of supervisory works while

providing suggestions for the development of the Group. Thirdly, the Board of Supervisors improved the system. During the reporting period, the Board of Supervisors comprehensively streamlined its working mechanism, formulated the Administrative Measures on Internal Control and Risk Management Supervision of the Board of Supervisors of Harbin Bank Co., Ltd. (for Trial Implementation) and the Administrative Measures on the Supervision for the Performance of the Board of Supervisors of Harbin Bank Co., Ltd. (for Trial Implementation), which refined the content, methods and frequency of supervision to regulate supervision and enhance supervision efficiency. It also formulated the Measures on Archives Management of the Board of Supervisors of Harbin Bank Co., Ltd. (For Trial Implementation) to consolidate file management and enhance the level of trace management. Fourthly, the Board of Supervisors strengthened the training of Supervisors. During the reporting period, the Board of Supervisors purchased professional books including the Commercial Bank Business and Operation and the Work Guidelines for Supervisory Boards of Listed Companies for Supervisors, organized seminars on regulatory requirements, relevant national laws and regulations for Supervisors in order to let them understand the spirit of supervision and clarify their responsibilities. The Board of Supervisors also invited internal control experts from Deloitte to conduct the special training on Internal Control of Commercial Banks for Supervisors, and arranged Supervisors to participate in the special training on Corporate Governance organized by the Board of Directors of the Company to continuously improve the theoretical level of Supervisors and their ability to perform duties. Fifthly, the Board of Supervisors strengthened the quantitative management of Supervisors' performance of duties, conducted detailed assessments of meeting attendance, performance time, and opinions expressed, mobilized the initiative and enthusiasm of Supervisors to perform their duties, and promoted the supervision of Supervisors to be closer to reality and concerns. Moreover, the suggestions put forward were more pertinent and effective, and performance efficiency was further enhanced.

## **II. INDEPENDENT OPINION PROVIDED BY THE BOARD OF SUPERVISORS ON RELATED MATTERS**

### **(I) Legal compliance of operations**

During the reporting period, the operation activities of the Company were in compliance with the Company Law, the Commercial Bank Law and the Articles of Association, and the decision-making processes were legal and valid. No instances of the Directors or the senior management of the Company committing, during the performance of their duties, acts in violation of the laws and regulations and the Articles of Association or in compromise of the interests of the Company and the Shareholders have been identified.

**(II) Truthfulness of the financial reports**

During the reporting period, the annual financial statement of the Company was audited by Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young in accordance with the PRC and international auditing standards, respectively, who issued standard unqualified audit reports in respect thereof. The Board of Supervisors was of the opinion that the Company's annual financial statement was a true, accurate and complete representation of the Company's financial position and operation results.

**(III) Related party transactions**

During the reporting period, the Risk Management and Related Party Transactions Control Committee under the Board of Directors and other relevant departments of the Company identified, reviewed and disclosed related party transactions in accordance with relevant provisions of the Administrative Measures for Related Party Transactions of the Company. The administration of related party transactions was in compliance with the relevant provisions of the national laws, regulations and the Articles of Association, and no act to the prejudice of the interests of the Company and the Shareholders was identified.

During the reporting period, the Board of Supervisors of the Company, in accordance with its duties, performed its supervisory duties and safeguarded the interests of the Shareholders, the Company, the employees and the public in compliance with laws and regulations, playing a positive role in the business development and continuous improvement of corporate governance structure of the Group. In 2021, the Board of Supervisors will continue to maintain effective communication with the Board of Directors and the senior management, strengthen self-construction, enhance its supervision in the Company's major decision-making, operation activities, financial management, risk management and internal control management, make greater efforts to carry out supervision, inspection and investigation, and promote the stable and healthy development of the Company.

## I. OVERALL OPERATION OVERVIEW

In 2020, under the influence of the COVID-19 pandemic and the slowdown of China's domestic economic growth, and facing the increasingly severe and complicated economic and financial situation and intensified interbank competition, the Company focused on the theme of steady enhancement under the leadership of the Board and supervision of the Board of Supervisors. The Company proactively addressed challenges posed by such changes by insisting on microcredit development strategy, strengthening risk management, striving to improve the quality and efficiency of financial services and maintaining steady business operation.

The Group (based on the International Financial Reporting Standards, the same below) recorded net profit of RMB796 million, completed 37.28% of its annual plan, representing a year-on-year decrease of RMB2,839 million or 78.1%. The net profit attributable to shareholders of the parent company amounted to RMB746 million, representing a year-on-year decrease of RMB2,812 million or 79.0%. The basic earnings per share were RMB0.07, representing a year-on-year decrease of RMB0.25. The return on average equity was 1.51%. The return on average total assets was 0.13%.

As at the end of 2020, the Company had NPL balance of RMB8,333 million, representing an increase of RMB3,081 million as compared to the end of last year. The NPL ratio amounted to 2.97%, representing an increase of 0.98 percentage point as compared to the end of last year. The rise in NPLs and NPL ratio was mainly affected by changes in the external operating environment, the pressure of economic downturn and declined solvency of credit customers. The impairment coverage ratio amounted to 133.26%, representing a decrease of 19.24 percentage points as compared to the end of last year. The impairment losses on loans ratio was 3.96%, representing an increase of 0.92 percentage point as compared to the end of last year.

**Table 1. Key accounting data and financial indicators**

<i>Unit: RMB100 million, %</i>		
<b>Item</b>	<b>2020</b>	<b>2019</b>
1. Profitability		
1.1 Net profit	<b>7.96</b>	36.35
Of which: Net profit attributable to Shareholders of the parent company	<b>7.46</b>	35.58
1.2 Return on average equity	<b>1.51%</b>	7.41%
1.3 Return on average total assets	<b>0.13%</b>	0.61%
1.4 Basic earnings per share (RMB)	<b>0.07</b>	0.32
1.5 Net interest margin (NIM)	<b>2.20%</b>	2.10%

Item	2020	2019
2. Income structure		
2.1 Net fee and commission income to operating income ratio	<b>6.02%</b>	9.04%
2.2 Cost-to-income ratio	<b>32.06%</b>	32.71%
3. Asset quality		
3.1 Balance of NPLs	<b>83.33</b>	52.51
3.2 NPL ratio	<b>2.97%</b>	1.99%
3.3 Impairment coverage ratio	<b>133.26%</b>	152.50%
3.4 Impairment losses on loans ratio	<b>3.96%</b>	3.04%
4. Capital adequacy ratios		
4.1 Core tier 1 capital adequacy ratio	<b>10.18%</b>	10.22%
4.2 Tier 1 capital adequacy ratio	<b>10.20%</b>	10.24%
4.3 Capital adequacy ratio	<b>12.59%</b>	12.53%

## II. MAJOR INCOME AND EXPENSES

(I) Operating income. The Company recorded operating income of RMB14,606 million, representing a year-on-year decrease of RMB518 million or 3.4%.

1. Net interest income. The Company actively responded to the changing external operating environment, enhanced comprehensive and balanced management of the assets and liabilities, resulting in continuous optimisation of the structure of assets and liabilities. The Company recorded net interest income of RMB12,309 million, representing a year-on-year increase of RMB614 million or 5.3%.

The Company had interest income of RMB29,004 million, representing a year-on-year decrease of RMB277 million or 0.9%, mainly because the Company's average yield of interest-earning assets decreased from 5.26% as at the end of 2019 to 5.18% as at the end of 2020, partially offset by the increase of the average balance of interest-earning assets from RMB556,297 million as at the end of 2019 to RMB559,980 million as at the end of 2020. The decrease in the average yield of interest-earning assets was primarily due to the decrease in the yield of loans and advances to customers, investments in debt securities and amounts due from banks and other financial institutions in 2020.

The Company recorded interest expense of RMB16,695 million, representing a year-on-year decrease of RMB891 million or 5.1%, which was primarily attributable to an increase in the Company's customer deposits, resulting in the increase of 2.7% in the average balance of interest-bearing liabilities from RMB542,834 million as at the end of 2019 to RMB557,458 million as at the end of 2020. The average cost rate of interest-bearing liabilities decreased from

3.24% in 2019 to 2.99% in 2020, which was mainly due to the decrease in the average cost rate of customer deposits, amounts due to banks, debt securities issued and others and amounts due to Central Bank in 2020.

2. Net fee and commission income. Confronted with the market changes and fierce interbank competition, the Company continued to adjust the profit structure, deepen product innovation, increase investment in channel construction, and further improve service technologies and service standard. The Company recorded net fee and commission income of RMB880 million, representing a year-on-year decrease of RMB486 million or 35.6% and, which accounted for 6.02% of the operating income, primarily due to the business downsize.
  3. Other non-interest income. Other non-interest income decreased by RMB645 million or 31.3% year on year to RMB1,417 million, which was mainly due to the decrease in profit and loss on trading, interest income and profit and loss on changes in fair value of the financial assets measured at fair value through profit or loss, and the decrease in gains on disposal of financial assets measured at fair value through other comprehensive income. This includes a decrease of RMB144 million year on year in other net operating income, mainly due to the effect of changes in exchange rates being partially offset by the increase in rental income.
- (II) Operating expenses. In 2020, the Company recorded operating expenses of RMB4,896 million, RMB457 million less than the budget of RMB5,353 million (tax and surcharge exclusive), representing a decrease of RMB257 million or 5.0%. Under the principles of practicing strict economy and running the Company by thrift and hard work, the Company strengthened the delicacy management on finance, optimised the fee and expense structure, strictly controlled the administrative and operating expenses and improved the efficiency of the use of funds. The cost-to-income ratio (tax and surcharge exclusive) was 32.06%, representing a decrease of 0.65 percentage point year on year.

The business and administrative expenses decreased by RMB266 million or 5.38% year on year to RMB4,682 million. The staff costs of the Company were RMB2,427 million, representing a decrease of RMB335 million or 12.1% year on year, mainly attributable to the social insurance relief enjoyed by the Bank due to the pandemic, as well as the continuous optimisation of remuneration structure and increase the correlation between performance and result appraisal. Depreciation and amortisation were RMB781 million, representing an increase of RMB20 million or 2.6% year on year, primarily as a result of the increase in the capital expenditure related to the information technology and operating offices of the Bank. The Company paid business tax and surcharges of RMB214 million, representing an increase of RMB9 million or 4.4% year on year, primarily attributable to the increase in relevant taxes as a result of the development of the Bank's business.

Table 2. Increase in operating expenses

Unit: RMB100 million

Item	2020 Balance	Year-on- year change in amount	Rate of year-on- year change	2019
Operating expenses	<b>48.96</b>	-2.57	-4.99%	51.53
1. Business & administrative expenses	<b>46.82</b>	-2.66	-5.38%	49.48
(1) Staff costs	<b>24.27</b>	-3.35	-12.1%	27.62
Of which: Salaries, bonuses and allowances	<b>18.78</b>	-2.21	-10.5%	20.99
(2) Depreciation and amortisation	<b>7.81</b>	0.20	2.6%	7.61
(3) Other operating expenses	<b>14.74</b>	0.49	3.5%	14.25
2. Business tax and surcharges	<b>2.14</b>	0.09	4.4%	2.05

(III) Asset impairment losses. The Company's asset impairment losses increased by RMB3,121 million or 60.2% year on year to RMB8,302 million, primarily attributable to the continuing impairment provision for assets on a dynamic basis after taking into comprehensive consideration of the effects of the pandemic and the uncertainties in economic environment, and in accordance with the relevant requirements of the regulatory authorities. Meanwhile, the Bank speeded up the disposal of NPLs, which led to an increase in the write-off amount of NPLs resulting in an increase in impairment losses.

(IV) Income tax expenses. The Company's income tax expenses decreased by RMB542 million or 46.9% year on year to RMB613 million.

Table 3. Major income and expenses

Unit: RMB100 million

Item	2020			2019
	Balance	Year-on-year change in amount	Rate of year-on-year amount	
Operating income	146.06	-5.18	-3.4%	151.24
Net interest income	123.09	6.14	5.3%	116.95
Of which: Interest income	290.04	-2.77	-0.9%	292.81
Interest expense	166.95	-8.91	-5.1%	175.86
Net fee and commission income	8.80	-4.87	-35.6%	13.67
Other non-interest income	14.17	-6.46	-31.3%	20.63
Less: Operating expenses	48.96	-2.57	-5.0%	51.53
Less: Credit ompairment losses	83.01	31.21	60.2%	51.81
Profit before tax	14.09	-33.82	-70.6%	47.91
Less: Income tax expense	6.13	-5.42	-46.9%	11.55
Net profit	7.96	-28.39	-78.1%	36.35
Attributable to:				
Shareholders of the parent company	7.46	-28.12	-79.0%	35.58
Minority shareholders	0.50	-0.27	-35.1%	0.77

### III. MAIN ASSETS AND LIABILITIES

- (I) Loans. The Company enhanced the credit scale management and optimised the credit structure by resolutely executing the macro control policies and regulatory requirements, and insisted on supporting and serving the real economy. As at the end of 2020, the Company's total loans increased by RMB16,963 million or 6.4% from the end of last year to RMB280,567 million, of which, the Company's corporate loans increased by 12.8% to RMB158,552 million, mainly attributable to the increase in the Bank's loans to customers to continuously support the real economy development. The balance of personal loans increased by 0.9% to RMB120,174 million.



- (II) Due from and placement with banks (including assets held under reverse repurchase agreements). The balance of our due from and placement with banks was RMB6,211 million, representing an increase of RMB2,486 million or 66.7% as compared to the end of last year, which was mainly because the Company adjusted the weight of such non-credit assets based on the capital condition and changes in liquidity in the market.
- (III) Investments in securities and other financial assets. The total investments in securities and other financial assets amounted to RMB218,764 million, representing a decrease of RMB14,934 million or 6.4% as compared to the end of last year, which was mainly attributable to the Company adjusting its investment structure and proactively reducing the investment scale of certain debt financial instruments.
- (IV) Customer deposits. As at the end of 2020, total customer deposits were RMB469,280 million, representing an increase of RMB43,596 million or 10.2% as compared to the end of last year, which was mainly attributable to the strengthening of pricing management, improvement of services and strengthening of marketing capabilities by the Bank.
- (V) Due to and placement from banks (including assets sold under reverse repurchase agreements). The Company's due to and placement from banks was RMB26,952 million, representing a decrease of RMB16,574 million or 38.1% as compared to the end of last year, which mainly reflected the Company's adjustment of the portion of the amount of due from and placement with banks and repurchased assets sold in the liabilities based on market liquidity and the Company's capital needs and in view of the need to match assets and liabilities.

Table 4. Major assets and liabilities

*Unit: RMB100 million*

Item	2020			2019
	Balance	Year-on-year change in amount	Rate of Year-on-year amount	
1. Total assets	<b>5,986.04</b>	155.14	2.7%	5,830.89
Of which:				
(1) Total loans	<b>2,805.67</b>	169.63	6.4%	2,636.04
(2) Due from and placement with banks (including assets held under reverse repurchase agreements)	<b>62.11</b>	24.86	66.7%	37.25
(3) Investment securities and other financial assets	<b>2,187.64</b>	-149.34	-6.4%	2,336.97
2. Total liabilities	<b>5,474.95</b>	160.46	3.0%	5,314.48
Including:				
(1) Due to customers	<b>4,692.80</b>	435.96	10.2%	4,256.84
(2) Due to and placement from banks (including assets sold under reverse repurchase agreements)	<b>269.52</b>	-165.74	-38.1%	435.26
3. Shareholders' equity	<b>511.09</b>	-5.32	-1.0%	516.41

In 2020, in accordance with the regulatory requirements of the China Banking and Insurance Regulatory Commission (“CBIRC”) and the relevant requirements of the Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”), the Bank continued to strengthen its daily monitoring, statistics and analysis capabilities of related party transactions, refine the management and control process of related party transactions, optimise the management mechanism of related party transactions, improve the management system of related party transactions, and carry out review and approval of related party transactions in compliance with relevant requirements, so as to ensure the effective operation of related party transactions. In accordance with the Administrative Measures for the Related Party Transactions between Commercial Banks and their Insiders or Shareholders (《商業銀行與內部人和股東關聯交易管理辦法》) and the Interim Measures for the Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》) issued by the CBIRC, as well as the Bank’s Articles of Association and the Administrative Measures for Related Party Transactions and other management requirements, the execution of related party transactions in 2020 is reported as follows:

## **I. MANAGEMENT OF RELATED PARTY TRANSACTIONS**

### **(I) The Risk Management and Related Transactions Control Committee under the Board of Directors performed its duties diligently and effectively prevented and controlled the risks of related party transactions.**

The Risk Management and Related Transactions Control Committee (the “**RMRTCC**”) under the Board of Directors of the Bank consists of three independent non-executive Directors and an executive Director, and the Chairman of the Committee is an independent Director. The Committee reviews related party transactions on behalf of minority Shareholders. In 2020, the RMRTCC convened a total of 13 meetings, at which 11 proposals were considered including the list of related party transactions, the Administrative Measures for the Related Party Transactions and the approval of major related party transactions. During the reporting period, the RMRTCC maintained independent operations, and all Directors performed their duties diligently, actively promoted the construction of related party transaction management system, and safeguarded the interests of the Bank and its Shareholders.

### **(II) The Bank optimised the management and control system of related party transactions and consolidated the compliance foundation of related party transactions.**

During the reporting period, the Bank was committed to optimising the management mechanism of related party transactions, improving the construction of related party transaction system, strengthening the collaborative management of related party transaction departments, learning from the construction of related party transaction system of regulatory departments, optimising the requirements of related party

transaction system, strengthening the effectiveness and timeliness of daily management of related party transactions, improving the identification of related party transactions, and ensuring the orderly development of business compliance.

**(III) The Bank followed the disclosure procedures of related party transactions to safeguard the interests of Shareholders as a whole.**

In 2020, the Bank continued to improve the disclosure mechanism for related party transactions, supplemented, adjusted and verified the list of related parties in strict accordance with the relevant requirements of the CBIRC and the Hong Kong Stock Exchange, and carried out various approval procedures for ordinary related party transactions and major related party transactions in compliance with regulations, and fulfilled the obligations in relation to the disclosure of related party transactions.

**(IV) The Bank conducted special audit on related party transactions to refine management and control measures for related party transactions.**

During the Reporting Period, the Bank actively conducted special audit on related party transactions, and coordinated the three lines of defense to reinforce the management and control of related party transactions. For relevant issues identified during the audit process, the Bank strictly put the opinions on rectification into practice, and promoted the continuous improvement of management on related party transactions.

## **II. RELATED PARTIES AND RELATED PARTY TRANSACTIONS**

In 2020, the Bank carried out the management of related parties and related party transactions in strict compliance with the relevant requirements of the CBIRC, the Stock Exchange and the accounting standards. As at the end of the reporting period, the related party transactions between the Bank and its related parties were all conducted on normal commercial terms, and the transaction terms were fair and reasonable and in the interests of the Bank and its Shareholders as a whole. The specific details are as follows:

**(I) Identification of related parties**

As at the end of the reporting period, the Bank had a total of 5,550 related parties.

In respect of related legal persons: as at the end of the reporting period, the Bank identified a total of 242 related legal persons or other organisations, increasing by 68 as compared to the end of 2019. Related legal persons or other organisations primarily include the legal persons or other organisations directly or indirectly under common control of an enterprise with the Bank, the Bank's substantial shareholders and their controlling shareholders, actual controllers, related parties, parties acting in concert and ultimate beneficiaries, as well as the legal persons or other organisations controlled or significantly influenced by the Bank's Directors, Supervisors, senior management and their close relatives.

In 2020, the number of related legal persons or other organisations increased as compared with the previous year, mainly due to the inclusion of Harbin Heli Investment Holding Co., Ltd. (哈爾濱合力投資控股有限公司) (“**Heli**”, a new substantial shareholder of the Bank in 2020) and its controlling shareholders, actual controllers, related parties, persons acting in concert and ultimate beneficiaries into the management of related parties of the Bank in accordance with the management requirements of the CBIRC for related parties.

In terms of related natural persons: as at the end of the reporting period, the Bank identified a total of 5,308 related natural persons, increasing by 169 as compared to the end of 2019, which was mainly due to the adjustment in insiders of the Bank during 2020. Related natural persons mainly include the substantial natural person shareholders of the Bank and their close relatives; the controlling natural person shareholders, directors and key management personnel of related legal persons or other organization; insiders and Directors, Supervisors and senior management of the Bank and their close relatives, as well as the key management personnel of the substantial shareholders of the Bank.

## (II) Execution of related party transactions relating to credit

During the reporting period, the related party transactions of the Bank were conducted in compliance with laws and regulations, and the overall quality of related party transactions relating to credit was excellent, all of which were normal transactions, and no related party transaction relating to credit detrimental to the interests of the Bank and its Shareholders was identified. In accordance with the disclosure standard of the audited financial report, the related party transactions in 2020 are as follows:

### 1. Credit for related legal persons

As at the end of the reporting period, according to the requirements of the CBIRC on the management of related party transactions, the controlling shareholders, actual controllers and related parties of Harbin Economic Development (the “**Related Parties of Harbin Economic Development**”), and Heilongjiang Financial Holdings and its controlling shareholders, actual controllers and related parties (the “**Related Parties of Heilongjiang Financial Holdings**”), the controlling shareholders, actual controllers and related parties of Heli (the “**Related Parties of Heli**”) conducted related party transactions or had outstanding business balances with the Bank. The information of the above related legal persons is as follows:

- (1) Harbin Economic Development and its related parties: in 2020, 18 corporate enterprises included in Harbin Economic Development and its related parties had 91 transactions with the Bank, with an interest rate ranging from 4.65% to 6.50%. Among which, 55 transactions were ordinary related party transactions with a total amount of RMB2,073 million, and 36 transactions were major related party transactions with a total amount of RMB1,730 million. All of these transactions were credit related transactions with a normal status at

present. As at the end of the reporting period, the business balance of Harbin Economic Development and its related parties in the Bank was RMB4,114 million, and the total credit balance accounted for 7.75% of the Bank's net capital. Major related party transactions have been considered and approved by the Board and submitted to the CBIRC for filing.

- (2) Heilongjiang Financial Holdings and its related parties: in 2020, Heilongjiang Financial Holdings had 87 transactions with the Company, with a total amount of RMB1,331 million, with an interest rate ranging from 4.65% to 4.75%. During the reporting period, the amount of each single transaction of Heilongjiang Financial Holdings and its related parties was less than 1% of the net capital<sup>1</sup> of the Bank, and the credit amount of Heilongjiang Financial Holdings and its related parties after each single transaction was less than 5% of the net capital of the Bank. According to the relevant provisions of the CBIRC, these transactions were all ordinary related party transactions. As at the end of the reporting period, Heilongjiang Financial Holdings and its related parties had a total credit balance of RMB373 million.
- (3) Heli and its related parties: in 2020, Heli and its related parties had 1 related party transaction (Heli has been a related party of the Bank since 15 October 2020). After the transaction, the aggregate credit balance of the Related Parties of Heli in the Bank was RMB3,501 million, accounting for 6.59% of the net capital. The transaction was a major related party transaction, and has been considered and approved by the Board and submitted to the CBIRC for filing.

As at the end of the reporting period, the credit balance of all related legal persons of the Bank did not exceed 50% of the net capital of the Bank. All transactions were routine businesses within the normal business scope of the Bank, followed the principle of market-oriented pricing, carried out on conditions not superior to similar transactions with non-related parties, met the principle of fairness required by the management of related party transactions, did not affect the independence of the Bank, and would not have an adverse impact on the sustainable development, profitability and asset status of the Bank.

## **2. Credit for related natural persons**

As at the end of 2020, the balance of credit granted to related natural persons amounted to RMB311 million, representing less than 1% of the net capital of the Bank, all of which were ordinary related party transactions.

<sup>1</sup> According to the Administrative Measures for the Connected Transactions between the Commercial Banks and their Insiders or Shareholders issued by the CBIRC, the net capital described herein is the net capital at the end of the fourth quarter of 2020.

## Related legal persons

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Harbin Economic Development and Investment Company and its related parties	Harbin Economic Development and Investment Company  Limited liability company	Financial investments in areas such as fixed assets in municipally owned enterprises and receipt of dividends in return	Zhang Xianjun	Harbin	RMB2,307.52 million
	Harbin Automobile Exchange Market Co., Ltd. (哈爾濱汽車交易 市場有限公司)	Purchase and sales of: motors, automobile accessory and daily goods; wholesale of: automobile decoration and accessory; organise automobile exchange market; in-market property management; automobile after-sale service (exclude maintenance); acquisition, sales, consign, agency sell and buy, lease of used automobile, as well as accessory provision and information service; provision of automobile transfer, registration and agency insurance service; organise automobile exhibition and convention; organise corporate culture and exchange activities; lease of commercial equipments; venue leasing and property leasing.	Hu Xiaoping	Harbin	RMB50 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Harbin Property Heating Supply Group Co., Ltd. (哈爾濱物業供熱 集團有限責任公司)	Limited liability company	Property management, heating source and heating network construction, real estate operation and management, heating supply production, and car park operation and management.	Zhao Zhifeng	Harbin	RMB687.81 million
Harbin Investment Group Corporation Limited (哈爾濱投資集團有限 責任公司)	Limited liability company (wholly state-owned)	Engaging in investment and investment information consulting for fixed assets, infrastructure, energy, heating, high- tech industries, resource development projects; organising the implementation of thermal power projects and heating projects, infrastructure construction, land consolidation, and equity investment operations (The above projects require special national approval certificates for operation).	Zhao Hongbo	Harbin	RMB5,000 million



Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Harbin Daoli Real Estate Operation and Property Management Co., Ltd. (哈爾濱道里房產經營 物業管理有限責任公 司)	Limited liability company	Direct and entrusted management of real estate operation and management, property management, heat supply and collection of related fees as an agent; heat supply energy saving technology development services, centralised heat supply project for the preparation, construction and installation of GB type GB(2) grade pressure pipes (for branch operations only); pipeline installation (excluding pressure pipes), plastic steel window production and installation.	Zhang Qiang	Harbin	RMB10 million
Harbin Daowai Real Estate Operation and Property Management Co., Ltd. (哈爾濱道外 房產經營物業管理有限 責任公司)	Limited liability company	Real estate operations, property management and heat supply	Sun Ruzheng	Harbin	RMB5 million
Harbin Jinshanbao Heat Supply Co., Ltd. (哈爾 濱金山堡供熱有限公 司)	Limited liability company	Centralised heat supply; property management and collection of related fees as an agent.	Gao Baikuan	Harbin	RMB50 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Harbin Huaneng Centralised Heat Supply Co., Ltd. (哈爾 濱市華能集中供熱有限 公司)	Limited liability company	Heat supply and property management for urban residents and industrial and commercial properties; warehousing (excluding dangerous goods).	Shen Zhitong	Harbin	RMB553.34 million
Harbin Taiping Real Estate Property Operation Co., Ltd. (哈 爾濱市太平房產物業經 營有限責任公司)	Limited liability company	Real estate operation (public housing management, rent management, real estate replacement), heat supply, property management; maintenance of heat supply facilities and equipments; providing heat supply facilities and insulation materials for subsidiaries; cleaning: heat supply pipes, heaters; sewage cleaning.	Qin Yong	Harbin	RMB5 million
Harbin Xiangfang Property Heat Supply Co., Ltd. (哈爾濱香坊 物業供熱有限責任公 司)	Limited liability company	Operations of state-owned real estate and real estate under entrusted management, property management, house heating supply, house repair, road transportation of ordinary cargo, loading, unloading and carrying services for ordinary cargo, ordinary cargo warehousing services (excluding dangerous chemicals and toxic goods).	Na Haitao	Harbin	RMB12.84 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Harbin Nangang Real Estate and Property Management Co., Ltd. (哈爾濱市南崗房產經營物業管理有限責任公司)	Limited liability company	Transfer of real estate and property management; heat supply service in accordance with the qualification; agency service for paid transfer and swap of public housing, escrow of reserved properties and real estate brokerage and consultation service.	Gao Baikuan	Harbin	RMB10 million
Harbin Huahui Thermoelectric Co., Ltd. (哈爾濱華匯熱電股份有限公司)	Limited liability company	Provision of urban heat supply in accordance with the approval; provision of property management in accordance with the qualification; warehousing (except for those restricted in accordance with nation laws and regulations).	Zhang Xueming	Harbin	RMB20 million
Harbin Entrusted Property Heat Supply Co., Ltd. (哈爾濱信託物業供熱有限責任公司)	Limited liability company	Urban heat supply; centralised heat supply, collection and payment of heating fees; sales and installation of measuring equipments; property management, property swap, property leasing, property management and agency service for collection of relevant fees; thermal power generation; ordinary cargo transportation.	Na Haitao	Harbin	RMB5.5 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Harbin New Residential Zone Heat Supply Property Co., Ltd. (哈爾濱住宅新區供熱物業 有限責任公司)	Limited liability company	Property management (class I), heat supply, paid transfer of rights of use of public residential properties and public non-residential properties, and real estate agency services.	Liu Huiyu	Harbin	RMB7.9 million
Harbin Heat Power Co., Ltd. (哈爾濱市熱力有 限公司)	Limited liability company	Supply and sale of steam and hot water, heat supply and equipment maintenance and management, repair of electric instruments; construction of pipeline works; installation for building heating system; property leasing.	Gao Baikuan	Harbin	RMB163.86 million
Heilongjiang Suibao Thermal Power Co., Ltd. (黑龍江歲寶熱電 有限公司)	Limited liability company	Power generation, heat supply and coal marketing. Production of cement, cement products, compound calcium increasing liquid slag powder, calcium increasing high efficiency ash, calcium increasing compound ash, calcium increasing slag, calcium increasing slag powder and compound fertilizer (limited to branch operation); heating engineering construction.	Hu Xiaoping	Harbin	RMB93.70 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Harbin Junxin Financing Guarantee Co., Ltd. (哈爾濱均信融資擔保 股份有限公司)	Other joint stock company	Financing guarantee business.	Li Mingzhong	Harbin	RMB600.60 million
Heilongjiang Financial Holdings Group Co., Ltd. and its related parties	Limited liability company (wholly state-owned)	Investment and asset management, capital investment services; private placement of securities investment funds; holding company services; financial information services.	Yu Hong	Harbin	RMB13,600 million
Heilongjiang Xinzheng Investment Guarantee Group Co., Ltd. (黑龍 江省鑫正投資擔保集團 有限公司)	Other limited liability company	Financing guarantee; re-financing; guarantee for bond issuance; litigation provision guarantee; performance guarantee; entrusted loans; logistic supervision; financing consultation in relation to guarantee operation, intermediary services such as financial consultation; investment using self- owned funds.	Lang Shufeng	Harbin	RMB3,401 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Heilongjiang University Student Startup Financing Guarantee Co., Ltd. (黑龍江省大 學生創業融資擔保有限 公司)	Limited liability company	Financing guarantee business in relation to university students' entrepreneurship; bonds issuance guarantee; tender guarantee, prepayment guarantee and performance guarantee; intermediary services such as financing consultation and financial advisory in relation to university students' entrepreneurship; investment in entrepreneurship projects of university students with own funds; Internet financial guarantee business. If the above scope is subject to the administration under special provisions of the state, such provisions shall prevail.	Gu Tianjiao	Harbin	RMB200 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Heilongjiang Agricultural Financing Guarantee Co., Ltd. (黑龍江省農 業融資擔保有限責任公 司)	Limited liability company	Providing guarantee-related credit enhancement services for various business entities engaged in agriculture in accordance with the law, agriculture-related financing guarantee, re-guarantee, bonds issuance guarantee, tender guarantee, prepayment guarantee and contract performance guarantee; financing consultation, financial advisory and other intermediary services related to agriculture; investment in agricultural projects with self-own funds, and other businesses as regulated by the regulatory authorities.	Tan Zhiqiang	Harbin	RMB6,230.30 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Northeast China Small and Medium-Sized Enterprises Credit Re- Guaranty Co., Ltd. (東 北中小企業信用再擔保 股份有限公司)	Limited liability company	Loan, bill acceptance, trade and project financing, import and export, letter of credit and other guarantee re-guarantee services; litigation preservation, bidding, advance payment, project performance and other guarantee re- guarantee services; disposal of counter- guaranteed assets; financing consulting, financial advisors and other intermediaries services; investment business; other businesses not prohibited by laws and regulations. (The license is valid until 18 April 2021). (business subject to approval by law shall be conducted upon approval by competent authorities).	Li Shijie	Harbin	RMB3,052.33 million



Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Harbin Heli Investment Holding Co., Ltd. and its related parties	Limited liability company	<p>Management and operation of self-owned assets, development, external investment and investment consultation for projects of high-tech enterprises and projects favourable for the development of the development zone (except for those subject to special national approval); real estate development and operation, land development, contracting and construction management of infrastructure construction, municipal and building construction; procurement of construction materials, and provision of relevant technical consultation and technical services; heat supply within the operation scope as approved under the qualification certification issued by provincial construction department; coal operation (no high-pollution fuels inside combustion forbidden zones).</p>	Cui Xitao	Harbin	RMB1,900 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Harbin Economic and Technologic Development Zone Infrastructure Development and Construction Co., Ltd. (哈爾濱經濟技術開發 區基礎設施開發建設有 限公司)	Limited liability company	Planning, design, contracting and construction management of infrastructure works inside the development zone; development and construction of residential zone inside the development zone; sales of construction materials (exclude flammable materials); provision of heat supply service in accordance with the scope approved under the certification; coal operation (no high-pollution fuels inside combustion forbidden zones).	Yang Xuemei	Harbin	RMB500 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Yungu Technology Co., Ltd. (雲谷科技有限公 司)	Limited liability company	Investment, construction and management of international data city; incubation and cultivation of technology enterprises and high-tech projects, development of computer software and hardware; computer system integration; computer network engineering; development, consultation and transfer of electronic, communication and opto- mechatronics system and network information technology; provision of planning, construction, management and organizational services for enterprises; exhibition and convention services; investment and investment management in technology industry, commercial industry, industrial industry and agriculture industry using self-owned assets; domestic trade; import and export of goods and technologies.	Liu Bo	Harbin	RMB65.63 million

Name of related party	Economic nature or type	Principal business	Legal representative	Place of registration	Registered capital
Harbin Development Zone Small and Medium-Sized Enterprises Financing Guarantee Co., Ltd. (哈爾濱開發區中小企 業融資擔保有限公司)	Limited liability company	Engaging in the following businesses in accordance with the scope approved under the operation permit issued by financing guarantee institutions: financing guarantee business: including borrowing guarantee, guarantee for issuance of bonds and other financing guarantee; non-financing guarantee: including tender guarantee, work performance guarantee, litigation provision guarantee and other non- financing guarantee; consultation and other services in relation to guarantee business: other business in compliance with laws and regulations (valid until 14 January 2025). Technology venture investment and wealth management business (excluding financial security investment); property management.	Li Shichun	Harbin	RMB1,000 million

## Statistics of related party transactions relating to credit

Unit: RMB100 million

Name of related party		Type of business	Amount of related party transactions	Business balance (including the guarantee balance)	Proportion of net capital as a single entity	Proportion of business	Proportion of capital
Harbin Economic Development and Investment Company and its related parties	Harbin Daoli Real Estate Operation and Property Management Co., Ltd. (哈爾濱道里房產經營物業管理有限責任公司)	On-balance sheet credit	2.6	2.58	0.49%	3.23%	0.49%
	Harbin Daowai Real Estate Operation and Property Management Co., Ltd. (哈爾濱道外房產經營物業管理有限責任公司)	On-balance sheet credit	1.3	1.29	0.24%	1.61%	0.24%
	Harbin Huahui Thermoelectric Co., Ltd. (哈爾濱華匯熱電股份有限公司)	On-balance sheet credit	0.59	0.59	0.11%	0.74%	0.11%
	Harbin Jinshanbao Heat Supply Co., Ltd. (哈爾濱金山堡供熱有限公司)	On-balance sheet credit	6.14	5.97	1.12%	7.47%	1.12%
	Harbin Pingfang Property Heat Supply Co., Ltd. (哈爾濱平房物業供熱有限責任公司)	On-balance sheet credit	1.17	1.17	0.22%	1.46%	0.22%
	Harbin Huaneng Centralised Heat Supply Co., Ltd. (哈爾濱市華能集中供熱有限公司)	On-balance sheet credit	10.01	9.92	1.87%	12.42%	1.87%
	Harbin Nangang Real Estate and Property Management Co., Ltd. (哈爾濱市南崗房產經營物業管理有限責任公司)	On-balance sheet credit	2.2	2.2	0.41%	2.75%	0.41%

Name of related party	Type of business	Amount of related party transactions	Business balance (including the guarantee balance)	Proportion of net capital as a single entity	Proportion of business	Proportion of capital
Harbin Heat Power Co., Ltd. (哈爾濱市熱力有限 公司)	On-balance sheet credit	2	1.99	0.37%	2.49%	0.37%
Harbin Taiping Real Estate Property Operation Co., Ltd. (哈爾濱市太平房產 物業經營有限責任公司)	On-balance sheet credit	0.29	0.29	0.05%	0.36%	0.05%
Harbin Property Heating Supply Group Co., Ltd. (哈爾濱物業供熱集團有 限責任公司)	On-balance sheet credit	4.2	4.11	0.77%	5.14%	0.77%
Harbin Xiangfang Property Heat Supply Co., Ltd. (哈爾濱香坊物業供熱有 限責任公司)	On-balance sheet credit	2.1	2.09	0.39%	2.62%	0.39%
Harbin Entrusted Property Heat Supply Co., Ltd. (哈爾濱信託物業供熱有 限責任公司)	On-balance sheet credit	0.89	0.89	0.17%	1.11%	0.17%
Harbin New Residential Zone Heat Supply Property Co., Ltd. (哈爾 濱住宅新區供熱物業有限 責任公司)	On-balance sheet credit	1.69	1.67	0.31%	2.09%	0.31%
Harbin Automobile Exchange Market Co., Ltd. (哈爾濱汽車交易市 場有限公司)	On-balance sheet credit	0	0.98	0.18%	1.23%	0.18%
Jinma Construction Development Group Co., Ltd. (金馬建設開發集團 股份有限公司)	On-balance sheet credit	1.48	0.79	0.15%	0.99%	0.15%
Heilongjiang Suibao Thermal Power Co., Ltd. (黑龍江歲寶熱電有限公 司)	Off-balance sheet credit	0.02	0.02	0.00%	0.03%	0.00%

			Business	Proportion			
			Amount of	balance	of net		
			related	(including	capital as		
			party	the	a single	Proportion	
Name of related party	Type of business	transactions	guarantee	balance)	entity	of business	Proportion
			balance)			of capital	
Heilongjiang Financial Holdings Group Co., Ltd. and its related parties	Harbin Investment Group Corporation Limited (哈爾濱投資集團有限責任公司)	Special bailout bonds	0	3	0.56%	3.76%	0.70%
		Medium-term notes	0	0.2	0.04%	0.25%	
		Short-term financing bills	0.5	0.5	0.09%	0.63%	
	Harbin Junxin Financing Guarantee Co., Ltd. (哈爾濱均信融資擔保股份有限公司)	Bond investments	0.85	0.85	0.16%	1.06%	
		External guarantees	0.04	0.04	0.01%	0.05%	0.17%
	Heilongjiang Financial Holdings Group Co., Ltd. (黑龍江省金融控股集團有限公司)	On-balance sheet credit	13.31	0	0.00%	0.00%	0.00%
	Heilongjiang Xinzheng Investment Guarantee Group Co., Ltd. (黑龍江省鑫正投資擔保集團有限公司)	External guarantees	–	1.99	0.37%	2.49%	0.37%
	Heilongjiang University Student Startup Financing Guarantee Co., Ltd. (黑龍江省大學 生創業融資擔保有限公司)	External guarantees	–	0.29	0.05%	0.36%	0.05%
	Heilongjiang Agricultural Financing Guarantee Co., Ltd. (黑龍江省農業 融資擔保有限責任公司)	External guarantees	–	0.46	0.09%	0.58%	0.09%

Name of related party	Type of business	Amount of related party transactions	Business balance	Proportion	Proportion of business	Proportion of capital	
			(including the guarantee balance)	of net capital as a single entity			
Harbin Heli Investment Holdings Co., Ltd. and its related parties	Northeast China Small and Medium-Sized Enterprises Credit Re-Guaranty Co., Ltd. (東北中小企業信用再擔保股份有限公司)	External guarantees	–	1	0.19%	1.25%	0.19%
	Harbin Heli Investment Holdings Co., Ltd. (哈爾濱合力投資控股有限公司)	On-balance sheet credit	11.54	23.13	4.36%	28.95%	4.36%
	Harbin Economic and Technologic Development Zone Infrastructure Development and Construction Co., Ltd. (哈爾濱經濟技術開發區基礎設施開發建設有限公司)	On-balance sheet credit	8.9	8.9	1.68%	11.14%	1.68%
	Yungu Technology Co., Ltd. (雲谷科技有限公司)	Industry fund	0	1.04	0.20%	1.30%	0.20%
	Harbin Development Zone Small and Medium-Sized Enterprises Financing Guarantee Co., Ltd. (哈爾濱開發區中小企業融資擔保有限公司)	External guarantees	–	1.94	0.37%	2.43%	0.37%
Total			71.82	79.89	15.04%	100%	15.04%



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## NOTICE OF 2020 ANNUAL GENERAL MEETING

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**Harbin Bank Co., Ltd.**  
**哈爾濱銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6138)**

### NOTICE OF 2020 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2020 annual general meeting (“AGM”) of Harbin Bank Co., Ltd. (the “**Bank**”) will be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, China, at 8:30 a.m. on Friday, 21 May 2021 for the purposes of considering and, if thought fit, passing the following resolutions. Capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Bank dated 21 April 2021 (the “**Circular**”) unless otherwise stated.

#### ORDINARY RESOLUTIONS

1. To consider and approve the “Proposal on the 2020 Work Report of the Board of Directors”.
2. To consider and approve the “Proposal on the 2020 Work Report of the Board of Supervisors”.
3. To consider and approve the “Proposal on the 2020 Final Account Report”.
4. To consider and approve the “Proposal on the 2021 Financial Budgets”.
5. To consider and approve the “Proposal on the 2020 Profit Distribution Plan”.
6. To consider and approve the “Proposal on the 2020 Annual Report”.
7. To consider and approve the “Proposal on the Appointment of Auditors for 2021”.
8. To consider and approve the “Proposal on the Report on the Management of Related Party Transactions in 2020”.
9. To consider and approve the “Proposal on the Remuneration Distribution Plan for the Executive Directors for 2020”.
10. To consider and approve the “Proposal on the Remuneration Distribution Plan for the Chairman of the Board of Supervisors for 2020”.

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## NOTICE OF 2020 ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTION

11. To consider and approve the “Proposal on Granting the Board a General Mandate to Issue H Shares”.

By order of the Board of Directors  
**Harbin Bank Co., Ltd.**  
**Deng Xinquan**  
*Chairman*

Harbin, China, 21 April 2021

\* *Harbin Bank Co., Ltd. is not an authorised institution within the meaning of the Banking Ordinance (Chapter 155 of Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.*

*Notes:*

1. Additional information on the 2020 Work Report of the Board of Directors, the 2020 Work Report of the Board of Supervisors, the 2020 Final Account Report and the Report on the Management of Related Party Transactions in 2020 referred to in Resolutions No. 1, 2, 3 and 8 are set out in Annex A, Annex B, Annex C and Annex D to the Circular, respectively. Details of the other resolutions are set out in Appendix I of the Circular.

**2. Closure of register of members**

In order to determine the shareholders who are entitled to attend and vote at the AGM, the H share register of members of the Bank will be closed from Monday, 17 May 2021 to Friday, 21 May 2021 (both days inclusive), during which period no share transfer will be registered. Any Shareholders whose name appear on the H share register of members and domestic share register of members of the Bank on Monday, 17 May 2021 will be entitled to attend and vote at the AGM. The H Shareholders who intend to attend and vote at the AGM must lodge all the transfer documents together with the relevant H share certificates with the Bank's H share registrar, Computershare Hong Kong Investor Services Limited (address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) not later than 4:30 p.m. on Friday, 14 May 2021.

**3. Registration procedures for attending the AGM**

Individual Shareholders who wish to attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual Shareholders shall produce their effective proof of identity and proxy form. A corporate Shareholder should attend the meeting by its legal representative or proxy appointed by the legal representative. A legal representative who wishes to attend the meeting should produce his/her identity card or other valid documents evidencing his/her capacity as a legal representative. If appointed a proxy to attend the meeting, the proxy should produce his/her identity card and an authorisation instrument duly signed by the legal representative of the corporate Shareholder.

**4. Proxy**

Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more persons (whether such person is a Shareholder or not) as his/her proxy or proxies to attend and vote on his/her behalf.

The instrument appointing a proxy must be in writing under the hand of the Shareholder or his/her attorney duly authorised in writing. For a corporate Shareholder, the proxy instrument must be affixed with the common seal or signed by its director or attorney duly authorised in writing. If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other documents of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together with the instrument appointing the proxy at Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Bank's Board of Directors' Office (for Domestic Shareholders).

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## NOTICE OF 2020 ANNUAL GENERAL MEETING

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To be valid, the proxy form together with the power of attorney or other authorisation document (if any) signed by the authorised person or certified by a notary must be delivered to Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Bank's Board of Directors' Office (for Domestic Shareholders) not less than 24 hours before the designated time for the holding of the AGM or any adjourned meeting thereof.

Completion and return of a proxy form will not preclude a shareholder from attending in person and voting at the AGM or any adjourned meeting thereof if he/she so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

### **5. Publication of poll results**

Pursuant to the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, each resolution set out in this notice will be voted by poll. Results of the poll voting will be published on the Bank's website at [www.hrbb.com.cn](http://www.hrbb.com.cn) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> after the AGM.

### **6. Other business**

The AGM is estimated to last no longer than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own traveling, dining and accommodation expenses.

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## NOTICE OF 2021 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING

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**Harbin Bank Co., Ltd.**  
**哈爾濱銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6138)**

### NOTICE OF 2021 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2021 first class meeting of holders of domestic shares (“**Domestic Shareholders’ Class Meeting**”) of Harbin Bank Co., Ltd. (the “**Bank**”) will be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, China, at 9:30 a.m. on Friday, 21 May 2021 or immediately after the conclusion of the 2020 annual general meeting for the purposes of considering and, if thought fit, passing the following resolution. Capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Bank dated 21 April 2021 (the “**Circular**”) unless otherwise stated.

#### SPECIAL RESOLUTION

1. To consider and approve the “Proposal on Granting the Board a General Mandate to Issue H Shares”.

By order of the Board of Directors  
**Harbin Bank Co., Ltd.**  
**Deng Xinquan**  
*Chairman*

Harbin, China, 21 April 2021

\* *Harbin Bank Co., Ltd. is not an authorised institution within the meaning of the Banking Ordinance (Chapter 155 of Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.*

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## NOTICE OF 2021 FIRST DOMESTIC SHAREHOLDERS' CLASS MEETING

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*Notes:*

1. Additional information on granting the Board a general mandate to issue H Shares referred to in the above resolution is set out in Appendix I of the Circular.
2. Domestic Shareholders whose names appear on the domestic share register of members of the Bank on Monday, 17 May 2021 will be entitled to attend and vote at the Domestic Shareholders' Class Meeting.

**3. Registration procedures for attending the Domestic Shareholders' Class Meeting**

Individual Shareholders who wish to attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual Shareholders shall produce their effective proof of identity and proxy form. A corporate Shareholder should attend the meeting by its legal representative or proxy appointed by the legal representative. A legal representative who wishes to attend the meeting should produce his/her identity card or other valid documents evidencing his/her capacity as a legal representative. If appointed a proxy to attend the meeting, the proxy should produce his/her identity card and an authorisation instrument duly signed by the legal representative of the corporate Shareholder.

**4. Proxy**

Any Domestic Shareholder entitled to attend and vote at the Domestic Shareholders' Class Meeting is entitled to appoint one or more persons (whether such person is a Shareholder or not) as his/her proxy or proxies to attend and vote on his/her behalf.

The instrument appointing a proxy must be in writing under the hand of the Shareholder or his/her attorney duly authorised in writing. For a corporate Shareholder, the proxy instrument must be affixed with the common seal or signed by its director or attorney duly authorised in writing. If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other documents of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together with the instrument appointing the proxy at the Bank's Board of Directors' Office.

To be valid, the proxy form together with the notarised power of attorney or other authorisation document (if any) must be delivered to Bank's Board of Directors' Office not less than 24 hours before the designated time for the holding of the Domestic Shareholders' Class Meeting or any adjourned meeting thereof.

Completion and return of a proxy form will not preclude any Domestic Shareholder from attending in person and voting at the Domestic Shareholders' Class Meeting or any adjournment thereof if he/she so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

**5. Publication of poll results**

Pursuant to the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, each resolution set out in this notice will be voted by poll. Results of the poll voting will be published on the Bank's website at [www.hrbb.com.cn](http://www.hrbb.com.cn) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> after the Domestic Shareholders' Class Meeting.

**6. Other business**

The Domestic Shareholders' Class Meeting is estimated to last no longer than half a day. Holders of domestic shares who attend the meeting in person or by proxy shall bear their own traveling, dining and accommodation expenses.

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## NOTICE OF 2021 FIRST H SHAREHOLDERS' CLASS MEETING

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**Harbin Bank Co., Ltd.**  
**哈爾濱銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6138)**

### NOTICE OF 2021 FIRST H SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2021 first class meeting of holders of H shares (**"H Shareholders' Class Meeting"**) of Harbin Bank Co., Ltd. (the **"Bank"**) will be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, China, at 10:00 a.m. on Friday, 21 May 2021 or immediately after the conclusion of the 2021 first class meeting of holders of domestic shares for the purposes of considering and, if thought fit, passing the following resolution. Capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Bank dated 21 April 2021 (the **"Circular"**) unless otherwise stated.

### SPECIAL RESOLUTION

1. To consider and approve the "Proposal on Granting the Board a General Mandate to Issue H Shares".

By order of the Board of Directors  
**Harbin Bank Co., Ltd.**  
**Deng Xinquan**  
*Chairman*

Harbin, China, 21 April 2021

\* *Harbin Bank Co., Ltd. is not an authorised institution within the meaning of the Banking Ordinance (Chapter 155 of Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.*

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## NOTICE OF 2021 FIRST H SHAREHOLDERS' CLASS MEETING

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*Notes:*

1. Additional information on granting the Board a general mandate to issue H Shares referred to in the above resolution is set out in Appendix I of the Circular.

2. **Closure of register of members**

In order to determine the shareholders who are entitled to attend and vote at the H Shareholders' Class Meeting, the H share register of members of the Bank will be closed from Monday, 17 May 2021 to Friday, 21 May 2021 (both days inclusive), during which period no Share transfer will be registered. Any Shareholders whose name appear on the H share register of members of the Bank on Monday, 17 May 2021 will be entitled to attend and vote at the H Shareholders' Class Meeting. The H Shareholders who intend to attend and vote at the H Shareholders' Class Meeting must lodge all the transfer documents together with the relevant H share certificates with the Bank's H share registrar, Computershare Hong Kong Investor Services Limited (address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) not later than 4:30 p.m. on Friday, 14 May 2021.

3. **Registration procedures for attending the H Shareholders' Class Meeting**

Individual Shareholders who wish to attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual Shareholders shall produce their effective proof of identity and proxy form. A corporate Shareholder should attend the meeting by its legal representative or proxy appointed by the legal representative. A legal representative who wishes to attend the meeting should produce his/her identity card or other valid documents evidencing his/her capacity as a legal representative. If appointed a proxy to attend the meeting, the proxy should produce his/her identity card and an authorisation instrument duly signed by the legal representative of the corporate Shareholder.

4. **Proxy**

Any H Shareholder entitled to attend and vote at the H Shareholders' Class Meeting is entitled to appoint one or more persons (whether such person is a Shareholder or not) as his/her proxy or proxies to attend and vote on his/her behalf.

The instrument appointing a proxy must be in writing under the hand of the Shareholder or his/her attorney duly authorised in writing. For a corporate Shareholder, the proxy instrument must be affixed with the common seal or signed by its director or attorney duly authorised in writing. If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other documents of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together with the instrument appointing the proxy at Computershare Hong Kong Investor Services Limited.

To be valid, the proxy form together with the notarised power of attorney or other authorisation document (if any) must be delivered to Computershare Hong Kong Investor Services Limited not less than 24 hours before the designated time for the holding of the H Shareholders' Class Meeting or any adjourned meeting thereof.

Completion and return of a proxy form will not preclude any H Shareholder from attending in person and voting at the H Shareholders' Class Meeting or any adjournment thereof if he/she so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

5. **Publication of poll results**

Pursuant to the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, each resolution set out in this notice will be voted by poll. Results of the poll voting will be published on the Bank's website at [www.hrbb.com.cn](http://www.hrbb.com.cn) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> after the H Shareholders' Class Meeting.

6. **Other business**

The H Shareholders' Class Meeting is estimated to last no longer than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own traveling, dining and accommodation expenses.