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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)

**ANNOUNCEMENT
DISCLOSEABLE AND CONNECTED TRANSACTION**

On 11 June 2021, the Bank entered into an equity transfer agreement with Dongninglizhi, pursuant to which the Bank acquired from Dongninglizhi the 15% equity interest held by it in Harbin Bank Financial Leasing for a consideration of RMB489 million.

Before the completion of the equity transfer, Harbin Bank Financial Leasing was held as to 80% by the Bank and 15% by Dongninglizhi (representing its capital contribution of RMB300 million to Harbin Bank Financial Leasing), therefore, Dongninglizhi constitutes a connected person of the Bank at the subsidiary level. As the highest percentage ratio of applicable size tests for the equity transfer is higher than 5% but lower than 25%, the transaction constitutes a discloseable transaction under Chapter 14 of the Listing Rules. Meanwhile, pursuant to Rule 14A.101 of the Listing Rules, as (i) the Board of the Bank has approved the equity transfer; and (ii) the Directors (including the independent non-executive Directors) of the Bank have confirmed that the equity transfer was fair and reasonable, and the equity transfer was conducted on normal commercial terms in the normal course of business of the Bank and is in the interests of the Bank and the shareholders as a whole, the equity transfer is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE EQUITY TRANSFER AGREEMENT

Date	11 June 2021
Parties	Dongninglizhi (as transferor) The Bank (as transferee)
Consideration	The transfer price of the target equity interest was RMB1.63/share and the total transfer price was RMB489 million, which was determined after negotiation between the parties.

The Bank shall pay all the consideration for such equity transfer into the bank account designated by Dongninglizhi in writing within five working days from the date on which both parties change the registration of target equity interest to be under the name of the Bank according to the equity transfer agreement. The Bank will use its own funds to fund the consideration for such equity transfer.

BASIS FOR DETERMINATION OF THE EQUITY TRANSFER CONSIDERATION

The equity transfer consideration is determined with reference to the assessment results of the overall equity value of Harbin Bank Financial Leasing by the asset appraisal agency and the audited net assets per share (approximately RMB1.63/share) of Harbin Bank Financial Leasing on 31 December 2020.

Effectiveness Both parties shall prepare and draft the relevant application documents jointly with Harbin Bank Financial Leasing as soon as possible after the execution of the equity transfer agreement, so as to apply for approval on such equity transfer from the approval authorities.

Both parties shall make joint efforts to procure that all approvals and registration procedures required to complete such equity transfer are obtained and completed as soon as possible.

The equity transfer agreement shall take effect upon signatures and affixing of official seals by the legal representatives or authorized representatives of both parties.

INFORMATION ABOUT HARBIN BANK FINANCIAL LEASING

Harbin Bank Financial Leasing was established in June 2014 with a registered capital of RMB2 billion. It is a financial leasing company approved by the former China Banking Regulatory Commission. Its principal business includes finance lease business, transfer or acceptance of financial leasing assets as well as sales and handling of leased assets etc.

The following table sets out the financial information of Harbin Bank Financial Leasing for the two years ended 31 December 2020.

	Year ended 31 December 2019 (Audited) <i>RMB'0000</i>	Year ended 31 December 2020 (Audited) <i>RMB'0000</i>
Operating income	93,700.92	91,669.31
Net profit before tax	36,667.48	40,828.74
Net profit after tax	27,567.95	30,618.44

The audited net asset value of Harbin Bank Financial Leasing on 31 December 2020 was approximately RMB3,260,910,200.

REASONS AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT

The acceptance of transfer of the 15% equity interest of Harbin Bank Financial Leasing held by Dongninglizhi is mainly due to its optimistic view of the future development prospects of Harbin Bank Financial Leasing, and recognition of its strong profitability. The acceptance of transfer is in line with the Bank's long and medium term development strategies and is beneficial to increasing the level of investment returns of the Bank. At the same time, it is also conducive for the Bank to focus on the finance leasing industry and consolidate the characteristics of agricultural leasing, which is in the interests of the Bank and its shareholders as a whole. Through this transaction, the position of the Bank as the controlling shareholder of Harbin Bank Financial Leasing will be further strengthened, which helps further support the development of Harbin Bank Financial Leasing and increase the market competitiveness of Harbin Bank Financial Leasing.

IMPLICATIONS OF THE LISTING RULES

Before the completion of the equity transfer, Harbin Bank Financial Leasing was held as to 80% by the Bank and 15% by Dongninglizhi, therefore, Dongninglizhi constitutes a connected person of the Bank at the subsidiary level. As the highest percentage ratio of applicable size tests for the equity transfer is higher than 5% but lower than 25%, the transaction constitutes a discloseable transaction under Chapter 14 of the Listing Rules. Meanwhile, pursuant to Rule 14A.101 of the Listing Rules, as (i) the Board of the Bank has approved the equity transfer; and (ii) the Directors (including the independent non-executive Directors) of the Bank have confirmed that the equity transfer was fair and reasonable, and the equity transfer was conducted on normal commercial terms in the normal course of business of the Bank and is in the interests of the Bank and the shareholders as a whole, the equity transfer is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As far as the Bank is reasonably aware, no Director has a material interest in the equity transfer and is required to abstain from voting on the relevant resolution.

INFORMATION ABOUT THE BANK AND DONGNINGLIZHI

The Bank, headquartered in Harbin, was granted its finance permit to carry on financial business by the People's Bank of China in February 1997, and obtained its corporate business license on 25 July 1997. At present, the Bank has established 17 branches in Tianjin, Chongqing, Dalian, Shenyang, Chengdu, Harbin, Daqing, etc. and 32 village and township banks in 14 provinces and municipalities, including Beijing, Guangdong, Jiangsu, Jilin and Heilongjiang. The Bank, as a controlling shareholder, has promoted the establishment of "Harbin Bank Financial Leasing", the first financial leasing company in Northeast China, and "HBCF", the first consumer finance company in Heilongjiang Province, respectively.

Dongninglizhi was established in the PRC in May 2009 with a registered capital of RMB500 million. Its principal business includes professional contracting of construction and decoration engineering, masonry engineering, garden and landscape construction, etc. As far as the Bank reasonably knows, the ultimate beneficial owner of Dongninglizhi is Fan Xiuren.

DEFINITIONS

“Bank”	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: 6138)
“Board”	the board of directors of the Bank
“Director(s)”	the director(s) of the Bank
“Dongninglizhi”	Dongninglizhi Decoration Engineering Co., Ltd.
“Harbin Bank Financial Leasing”	Harbin Bank Financial Leasing Co., Ltd.
“HBCF”	Harbin Bank Consumer Finance Co., Ltd.
“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

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

Harbin, the PRC, 11 June 2021

As at the date of this announcement, the Board of the Bank comprises Deng Xinquan, Lyu Tianjun and Sun Feixia as executive Directors; Zhao Hongbo, Zhang Xianjun, Yu Hong and Lang Shufeng as non-executive Directors; Sun Yan, Zhang Zheng, Hou Bojian and Jin Qinglu as independent non-executive Directors.

* *Harbin Bank Co., Ltd. is not an authorized 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 authorized to carry on banking/deposit-taking business in Hong Kong.*