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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)**

## **DISCLOSEABLE TRANSACTION TRANSFER OF THE SUBJECT LOAN**

### **TRANSFER OF THE SUBJECT LOAN**

The Board of the Company hereby announces that, to optimize the asset structure of the Company, the Company (as the transferor) entered into the Loan Transfer Agreement with China Cinda Heilongjiang Branch (as the transferee) on 29 June 2024, pursuant to which the Company agreed to transfer the Subject Loan to China Cinda Heilongjiang Branch.

### **IMPLICATIONS OF THE HONG KONG LISTING RULES**

As the highest applicable percentage ratio in respect of the Transfer of Subject Loan, calculated in accordance with the Hong Kong Listing Rules, is higher than 5% but lower than 25%, the Transfer of Subject Loan constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Hong Kong Listing Rules.

### **LOAN TRANSFER AGREEMENT**

Set out below are the principal terms of the Loan Transfer Agreement:

#### **Date**

29 June 2024

#### **Parties**

- (1) the Company (as the transferor)
- (2) the Purchaser (as the transferee)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

## **SUBJECT OF TRANSFER**

The subject of transfer is the Subject Loan held by the Company as set out in the Loan Transfer Agreement, including the primary indebtedness and its security rights and ancillary rights arising from certain credit facilities as of the Reference Date (*i.e.* 31 March 2024). As of the Reference Date, the outstanding principal amount, interest, compound interest, penalty interest, and related judicial fees paid in respect of the Subject Loan were approximately RMB504.98 million in aggregate, with the carrying amount of the outstanding principal amount being approximately RMB351.43 million.

## **CONSIDERATION AND PAYMENT TERMS**

The initial price for the Transfer of Subject Loan as agreed under the Loan Transfer Agreement shall be RMB150.3 million, subject to further upward adjustment (capped at approximately RMB221.4 million). The price for the Transfer of Subject Loan is determined by the Company and the Purchaser through negotiation, with reference to the average of the Company's internal valuation and the valuation of an external appraisal agency (which is an independent third party) of approximately RMB218.3 million. In order to assist in the recovery of the Subject Loan, the Purchaser shall separately enter into a collection agreement with the Bank, under which the Purchaser shall entrust the Bank to collect the Subject Loan.

According to the Loan Transfer Agreement, the Purchaser shall pay the Transfer Price to the account designated by the Company in installments. Specifically, the Purchaser shall pay approximately RMB66.4 million as down payment within 5 working days from the date of signing the Loan Transfer Agreement, and on or before the expiration of the Payment Term, pay the Transfer Price up to the initial price above, and further pay the Transfer Price (capped at approximately RMB221.4 million) with reference to the collection of the Subject Loan.

On the date when the Purchaser completes the payment of the above down payment, the Company shall transfer the Subject Loan to the Purchaser and hand over the relevant certificates under the Subject Loan within 20 working days thereafter.

## **RESTRICTIONS DURING TRANSITION PERIOD**

After the signing of the Loan Transfer Agreement, the Company shall obtain the written consent from the Purchaser for any disposal of the Subject Loan (including but not limited to the sale or transfer of assets, waiver of any rights, acceptance or signing of an agreement for repayment of debts in kind, filing a lawsuit or applying for arbitration or application for enforcement against the obligor) before the Transfer of Subject Loan to the Purchaser.

## **REASONS AND BENEFITS OF THIS TRANSACTION**

The Subject Loan is a non-performing loan of the Company and Transfer of Subject Loan facilitates the optimization of the asset structure of the Company. China Cinda Heilongjiang Branch was selected as the Purchaser by way of open bidding for the Transfer of Subject Loan. After due consideration, the Directors consider that entering into the Loan Transfer Agreement is in the interests of the Company and the Shareholders as a whole. As of the Reference Date (*i.e.*, 31 March 2024), accrued allowance for impairment of the Subject Loan amounted to approximately RMB113.61 million, the net amount of the principal amount of the Subject Loan, net of the allowance for impairment, was approximately RMB237.82 million as at the Reference Date. The above estimates may differ from the actual financial effect of the Transfer of Subject Loan.

The Directors consider that the Loan Transfer Agreement and the transactions thereunder are on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ABOUT THE COMPANY AND THE PURCHASER**

### **The Company**

The Company, 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 30 village and township banks in 14 provinces and municipalities, including Beijing, Guangdong, Jiangsu, Jilin and Heilongjiang. The Company, 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.

### **PURCHASER**

China Cinda Heilongjiang Branch was established in the PRC in September 1999. Its principal business includes (1) management, investment and disposal of non-performing assets of financial institutions and non-financial institutions through acquisition and entrusting; (2) debt-equity swap, management, investment and disposal of equity interest assets; (3) receivership services; (4) external investments; (5) dealing in marketable securities; (6) issue of financial debentures, inter-bank lending and borrowing, and providing commercial financing to other financial institutions; (7) approved asset securitization business and financial institutions custody and liquidation business; (8) financial, investment, legal and risk management consultation and advisory; (9) asset and project assessment; (10) other businesses approved by the banking regulatory authority of the State Council. As far as the Company reasonably knows, the ultimate beneficial owner of China Cinda Heilongjiang Branch is Ministry of Finance of the People's Republic of China.

## **IMPLICATIONS OF THE HONG KONG LISTING RULES**

As the highest applicable percentage ratio in respect of the Transfer of Subject Loan, calculated in accordance with the Hong Kong Listing Rules, is higher than 5% but lower than 25%, the Transfer of Subject Loan constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Hong Kong Listing Rules.

## **DEFINITIONS**

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

"Bank" or "Group"	the Company and all of its subsidiaries and branches
"Board"	the board of directors of the Company
"China Cinda Heilongjiang Branch" or "Purchaser"	China Cinda Asset Management Co., Ltd. Heilongjiang Branch, which was established in the PRC on 6 September 1999

“Company”	Harbin Bank Co., Ltd. (哈爾濱銀行股份有限公司), a joint stock company incorporated 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)
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	a person who is not a connected person of the Company and the phrase “third party independent of the Company” or other similar expression shall be construed accordingly
“Loan Transfer Agreement”	the Loan Transfer Agreement regarding the Transfer of Subject Loan signed between the Company and the Purchaser on 29 June 2024
“Payment Term”	36 months from the date when the Loan Transfer Agreement takes effect (subject to extension as agreed by both parties)
“PRC” or “China”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Reference Date”	31 March 2024, being the last date agreed in the Loan Transfer Agreement that will be used to calculate and determine the total amount of the Subject Loan
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	Domestic Share(s) and/or H Share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Subject Loan”	the underlying loan set out in the Loan Transfer Agreement as the subject of transfer

“Transfer of Subject Loan”	the transaction in which the Company transfers the Subject Loan to the Purchaser pursuant to the Loan Transfer Agreement
“Transfer Price”	the consideration paid by the Purchaser for the Transfer of Subject Loan from the Company
“%”	per cent

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

Harbin, the PRC, 29 June 2024

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

\* *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.*