
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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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) 2022 WORK REPORT OF THE BOARD OF DIRECTORS**
 - (2) 2022 WORK REPORT OF THE BOARD OF SUPERVISORS**
 - (3) 2022 FINAL ACCOUNT REPORT**
 - (4) 2023 FINANCIAL BUDGETS**
 - (5) 2022 PROFIT DISTRIBUTION PLAN**
 - (6) 2022 ANNUAL REPORT**
 - (7) PROPOSED APPOINTMENT OF AUDITORS FOR 2023**
 - (8) 2022 REPORT ON THE MANAGEMENT OF RELATED PARTY TRANSACTIONS**
 - (9) THE REMUNERATION DISTRIBUTION PLAN FOR THE DIRECTORS FOR 2022**
 - (10) THE REMUNERATION DISTRIBUTION PLAN FOR THE SUPERVISORS FOR 2022**
 - (11) INTERIM MEASURES FOR EQUITY INVESTMENT MANAGEMENT**
- AND**
- NOTICE OF 2022 ANNUAL GENERAL MEETING**

The Bank will convene the AGM at Conference Room 4001, Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin, Heilongjiang, China on Friday, 19 May 2023, at 9:00 a.m. The notice of the AGM is set out on pages 41 to 43 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible. For H Shareholders, the proxy form 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. For Domestic Shareholders, the proxy form should be returned to the Bank's Board of Directors' Office (No. 888 Shangjiang Street, Daoli District, Harbin 150010, Heilongjiang Province, China, Tel: 86-451-86779933), in any event served by hand, by post or by fax not less than 24 hours before the time stipulated for convening the AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM 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

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

“AGM” or “Annual General Meeting” or “2022 Annual General Meeting”	the 2022 annual general meeting of the Bank to be held at Conference Room 4001, Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin, Heilongjiang, China on Friday, 19 May 2023 at 9:00 a.m. or any adjourned meeting thereof
“Articles of Association”	the articles of association of the Bank, as amended, supplemented or otherwise revised 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: 6138)
“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
“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 amended, supplemented or otherwise revised from time to time
“Director(s)”	the director(s) of the Bank
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“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

DEFINITIONS

“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: 6138) and subscribed and traded in Hong Kong dollars
“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
“Interim Measures for Equity Investment Management”	the Interim Measures for Equity Investment Management of Harbin Bank Co., Ltd.
“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”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Shares and/or H Shares of the Bank
“Shareholder(s)”	holder(s) of Shares
“Supervisor(s)”	the supervisor(s) of the Bank

* *In this circular, unless otherwise stated, the amounts shall be presented in RMB.*

LETTER FROM THE BOARD



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. Yao Chunhe

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. 888 Shangjiang 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

28 April 2023

To the Shareholders

Dear Sir/Madam,

1. INTRODUCTION

The purpose of this circular is to provide you with all the information of the AGM reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

2. BUSINESS TO BE TRANSACTED AT THE AGM

The business to be transacted at the AGM is specified in the notice of the AGM set out on pages 41 to 43 of this circular. Resolutions to be proposed at the AGM by way of ordinary resolutions include: (1) 2022 work report of the Board of Directors; (2) 2022 work report of the Board of Supervisors; (3) 2022 final account report; (4) 2023 financial budgets; (5) 2022 profit distribution plan; (6) 2022 annual report; (7) proposed appointment of auditors for 2023;

LETTER FROM THE BOARD

(8) 2022 report on the management of related party transactions; (9) the remuneration distribution plan for the Directors for 2022; (10) the remuneration distribution plan for the Supervisors for 2022; and (11) the Interim Measures for Equity Investment Management.

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

In addition, the *Report on the Assessment of Major Shareholders (Substantial Shareholders) of Harbin Bank for 2022* and the *2022 Appraisal of Duty Performance of Directors, Supervisors and Senior Management by the Board of Supervisors* will be presented to the Shareholders at the AGM.

3. AGM

The Bank will convene the AGM at Conference Room 4001, Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin, Heilongjiang, China on Friday, 19 May 2023, at 9:00 a.m. The notice of the AGM is set out on pages 41 to 43 of this circular. The proxy form for use at the AGM is also enclosed herewith.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible. For H Shareholders, the proxy form 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. For Domestic Shareholders, the proxy form should be returned to the Bank's Board of Directors' Office (No. 888 Shangjiang Street, Daoli District, Harbin 150010, Heilongjiang Province, China, Tel: 86-451-86779933), in any event served by hand, by post or by fax not less than 24 hours before the time stipulated for convening the AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM if you so wish.

4. VOTING BY POLL

According to the Hong Kong Listing Rules, any vote of shareholders at a shareholders' general meeting must be taken by poll. Results of the poll voting will be published on the Bank's website at www.hrbb.com.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the AGM.

LETTER FROM THE BOARD

5. RECOMMENDATION

The Board of Directors considers that all resolutions to be proposed at the AGM are in the 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. 2022 WORK REPORT OF THE BOARD OF DIRECTORS

The 2022 Work Report of the Board of Directors has been considered and approved at a meeting of the Board held on 30 March 2023 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 2022 Work Report of the Board of Directors are set out in Annex A to this circular.

II. 2022 WORK REPORT OF THE BOARD OF SUPERVISORS

The 2022 Work Report of the Board of Supervisors has been considered and approved at a meeting of the Board of Supervisors held on 29 March 2023 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 2022 Work Report of the Board of Supervisors are set out in Annex B to this circular.

III. 2022 FINAL ACCOUNT REPORT

The 2022 Final Account Report of the Bank has been considered and approved at a meeting of the Board held on 30 March 2023, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

Details of the 2022 Final Account Report are set out in Annex C to this circular.

IV. 2023 FINANCIAL BUDGETS**(1) Principal directions**

Adhere to the basic principles of “refined management, cost reduction and efficiency enhancement”, firmly establish the mindset of “tightening our belts”, fully utilize financial resources to guide and motivate business development, and promote the sustainable and healthy development of the Company's strategic businesses and enhance its market capability.

(2) Proposed financial budgets

In accordance with the requirements of the Company for strategic development and business expansion, the total operating expenses budget for 2023 will be controlled under RMB5,654 million (excluding taxes, surcharges and non-operating expenses), representing an increase of RMB649 million or 13% as compared with the amount actually incurred in 2022. The increase in operating expenses was mainly due to increased

obligatory expenses of staff wages and “Five Insurances and Two Pensions” resulting from the promotion of the salary level of staff and the adjustment on the contribution base of “Five Insurances and Two Pensions”, increased outsourced staff, intensified collection of non-performing assets, risk control and investments in business marketing, and increased depreciation and amortization due to the conversion of owned properties to fixed assets.

The capital expenditure budget for the year amount to RMB516 million, which mainly covers the construction of technology systems, renovation of network outlets, purchase of office furniture and self-help equipments, etc.

In 2023, the Company will further enhance its refined management, optimise the allocation of financial resources and continuously improve the efficiency of input and output.

The above 2023 financial budgets have been considered and passed at a meeting of the Board held on 30 March 2023, and will be put forward at the AGM for Shareholders’ consideration and approval by way of an ordinary resolution.

V. 2022 PROFIT DISTRIBUTION PLAN

In accordance with the audit results for 2022 and provisions of the relevant laws and regulations, the proposed distribution is as follows:

- (1) Allocation to the statutory surplus reserve: RMB17 million.
- (2) Allocation to the provision for general risks: RMB314 million.
- (3) No cash dividend.
- (4) Undistributed profit balance of the parent company will be carried forward to the next year.

The above profit distribution plan has been considered and passed at a meeting of the Board held on 30 March 2023, and will be put forward at the AGM for Shareholders’ consideration and approval by way of an ordinary resolution.

VI. 2022 ANNUAL REPORT

For details, please refer to the 2022 Annual Report published by the Bank.

The 2022 Annual Report has been considered and passed at a meeting of the Board held on 30 March 2023, 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 2023

In 2022, as approved by the Board and at the Shareholders' general meeting, the Company appointed BDO Limited and BDO China Shu Lun Pan Certified Public Accountants LLP (collectively, "BDO") as the international and domestic auditors of the Company for 2022 to be responsible for the audit of the consolidated and parent company financial statements for 2022, respectively, which were prepared by the Bank in accordance with the International Financial Reporting Standards and China Accounting Standards for Business Enterprises.

In accordance with relevant laws and regulations of China, the Company organised and carried out the selection and appointment of the auditors for 2023. In order to maintain the consistency, 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, it is proposed that the Company continue to appoint BDO as the international and domestic auditors of the Company for 2023 to provide annual audit and interim review services in respect of the consolidated and parent company financial statements of the Company in 2023, and to provide other professional services in accordance with regulatory requirements and needs arising from the Company's actual business development.

The aggregate fee for the audit of consolidated and parent company financial statements of the Company in 2023 (in accordance with the International Financial Reporting Standards and China Accounting Standards for Business Enterprises) and the review of the interim financial statements in 2023 (in accordance with the International Financial Reporting Standards) is RMB4.85 million (VAT and surcharges inclusive, including miscellaneous expenses), which is the same as the previous year.

The above proposal has been considered and passed at a meeting of the Board held on 30 March 2023, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

VIII. 2022 REPORT ON THE MANAGEMENT OF RELATED PARTY TRANSACTIONS

The 2022 Report on the Management of Related Party Transactions has been considered and passed at a meeting of the Board held on 30 March 2023, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

Details of the 2022 Report on the Management of Related Party Transactions are set out in Annex D to this circular.

IX. THE REMUNERATION DISTRIBUTION PLAN FOR THE DIRECTORS FOR 2022

As of the end of 2022, the Board of the Company comprised of 9 members, including 1 executive Director, 4 independent non-executive Directors and 4 non-executive Directors. In accordance with the relevant requirements of relevant laws and regulations, regulatory requirements and the Articles of Association, and based on the performance of the Directors of the Company in 2022, the remuneration distribution plan for the Directors for 2022 is reported as follows:

Unit: RMB (before tax)

Name	Position	Fee	Remuneration and Discretionary		Amount paid by the Company of social insurance, housing fund and enterprise annuity	Total emoluments before tax	Of which: deferred payment	Actual amount paid
			allowances	bonuses				
Deng Xinquan	Executive Director and Chairman	0.00	726,000.00	2,142,000.00	121,943.64	2,989,943.64	1,285,200.00	1,704,743.64
Sun Yan	Independent Non-Executive Director	288,000.00	0.00	0.00	0.00	288,000.00	0.00	288,000.00
Zhang Zheng	Independent Non-Executive Director	288,000.00	0.00	0.00	0.00	288,000.00	0.00	288,000.00
Hou Bojian	Independent Non-Executive Director	364,000.00	0.00	0.00	0.00	364,000.00	0.00	364,000.00
Jin Qinglu	Independent Non-Executive Director	264,000.00	0.00	0.00	0.00	264,000.00	0.00	264,000.00
Zhao Hongbo	Non-Executive Director	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Zhang Xianjun	Non-Executive Director	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Yu Hong	Non-Executive Director	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lang Shufeng	Non-Executive Director	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The standard for remuneration distribution of the executive Directors of the Company is determined in accordance with the Management Measures of Performance Review of Senior Management of Harbin Bank, the Remuneration Management Measures of Harbin Bank and the Management Measures for Deferred Payment of Performance-based Remuneration and Recovery of Remuneration of Harbin Bank. In the case that the executive Director is a member

of the Party Committee, the standard for remuneration distribution shall be determined with reference to the Guidelines on Supervising the Stable Remuneration of Commercial Banks and the relevant measures for remuneration review by the officers in charge of state-owned financial enterprises.

The standard for subsidies distribution of the independent non-executive Directors and non-executive Directors of the Company is determined in accordance with the Directors' Subsidies Management Measures of Harbin Bank. Zhao Hongbo, Zhang Xianjun, Yu Hong and Lang Shufeng, being four non-executive Directors of the Company, have signed a statement to waive Directors' subsidies voluntarily when acting as the Directors of the Eighth Session of the Board of the Company. Meanwhile, they have confirmed that waiving Directors' subsidies shall not affect their normal performance as the Directors of the Company.

The remuneration distribution plan for the Directors for 2022 has been considered and approved at a meeting of the Board held on 30 March 2023, 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 SUPERVISORS FOR 2022

In accordance with the relevant requirements of the Articles of Association, the Management Measures of Performance Review of Senior Management of Harbin Bank, the Remuneration Management Measures of Harbin Bank, the Management Measures for Deferred Payment of Performance-based Remuneration and Recovery of Remuneration of Harbin Bank and the Supervisors' Subsidies Management Measures of Harbin Bank, and based on the performance of the Supervisors of the Company in 2022, the remuneration distribution plan for the Supervisors for 2022 is proposed as follows:

Unit: RMB (before tax)

Name	Position	Fee	Remuneration and Discretionary		Amount paid by the Company of social insurance, housing fund and enterprise annuity	Total emoluments before tax	Of which: deferred payment	Actual amount paid
			allowances	bonuses				
Wang Haibin	Chairman of the Board of Supervisors and Employee Representative Supervisor	0.00	510,000.00	1,494,000.00	183,240.84	2,187,240.84	896,400.00	1,290,840.84
Luo Zhonglin	Employee Representative Supervisor	0.00	497,796.00	1,206,000.00	172,188.51	1,875,984.51	603,000.00	1,272,984.51
Fang Shang	Employee Representative Supervisor	0.00	500,935.00	1,326,076.42	225,156.49	2,052,167.91	510,430.57	1,541,737.34

Name	Position	Fee	Remuneration and allowances	Discretionary bonuses	Amount paid by the Company of social insurance, housing fund and enterprise annuity	Total emoluments before tax	Of which: deferred payment	Actual amount paid
Wang Yuanfang	Employee Representative Supervisor	-	743,499.00	867,618.38	171,228.33	1,782,345.71	347,047.35	1,435,298.36
Yang Xuemei	Shareholder Representative Supervisor	40,000.00	-	-	-	40,000.00	-	40,000.00
Li Dong	External Supervisor	144,000.00	-	-	-	144,000.00	-	144,000.00
Li Zhaohua	External Supervisor	144,000.00	-	-	-	144,000.00	-	144,000.00
Sun Yi	External Supervisor	126,000.00	-	-	-	126,000.00	-	126,000.00

Note: On 6 September 2022, Ms. Yang Xuemei resigned as a shareholder representative Supervisor of the Company; Mr. Fang Shang resigned as an employee representative Supervisor of the Company on 10 October 2022, and on the same date, Mr. Wang Yuanfang was elected as an employee representative Supervisor of the Company at the twelfth meeting of the fifth session of the employee representative meeting of the Company.

The remuneration distribution plan for the Supervisors for 2022 has been considered and approved at a meeting of the Board of Supervisors held on 29 March 2023, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

XI. INTERIM MEASURES FOR EQUITY INVESTMENT MANAGEMENT

Pursuant to the the relevant provisions of Company Law, Law for Commercial Banks of the People's Republic of China (《中華人民共和國商業銀行法》), Administrative Licensing Matters concerning Chinese-funded Commercial Banks (《中資商業銀行行政許可事項實施辦法》), the Guidelines on Management and Regulation of Consolidated Financial Statements of Commercial Banks (《商業銀行併表管理與監管指引》) and other laws, administrative regulations, departmental rules and regulations, regulatory documents and the Articles of Association, the Interim Measures for Equity Investment Management is hereby formulated according to the actual situations of the Company.

The Interim Measures for Equity Investment Management has been considered and approved at a meeting of the Board held on 29 December 2022, and will be put forward at the AGM for Shareholders' consideration and approval by way of an ordinary resolution.

The full text of the Interim Measures for Equity Investment Management is set out in Annex E to this circular.

In 2022, the Board of Harbin Bank Co., Ltd. (the “**Company**”) fulfilled its responsibilities in accordance with relevant laws and regulations, regulatory requirements, and the relevant provisions of the Articles of Association of Harbin Bank Co., Ltd., fully played the role of scientific decision-making and strategic management, conscientiously fulfilled the responsibilities assigned by the general meeting, improved the corporate governance system, diligently and responsibly made scientific decisions, steadily promoted various work, and continuously improved the overall governance level of the Company. The Company adheres to the overall tone of seeking progress while maintaining stability, focusing on risk prevention and reform, innovation and development, comprehensively promoting the high-quality development of the Company, effectively safeguarding the interests of the Company and the shareholders, and maintaining the sustainable and stable development of the Company.

In 2022, the Company achieved a comprehensive improvement in its “scale, quality and efficiency” indicators. According to International Accounting Standards, in 2022, the Group achieved a net profit of RMB713 million, representing a year-on-year increase of RMB314 million or 78.7%. In which, the net profit attributable to shareholders of the parent company was RMB555 million, representing a year-on-year increase of RMB281 million or 102.4%. The Group recorded return on average equity of 0.04%, NPL ratio of 2.89%, impairment coverage ratio of 181.54% and capital adequacy ratio of 11.91%. As of 31 December 2022, the total assets of the Group were RMB712.733 billion, representing an increase of RMB67.687 billion or 10.5% compared to the end of the previous year.

1. COMPREHENSIVELY STRENGTHEN THE LEADERSHIP OF THE PARTY AND ENHANCE THE EFFECTIVENESS OF CORPORATE GOVERNANCE

In 2022, the Board of the Company actively played a core role in corporate governance, promoting the deep integration of party leadership and corporate governance. It actively explored the best practices of corporate governance that are in line with the actual situation of the Company, fulfilled the responsibilities assigned to the Board by the Company’s Articles of Association and general meetings in accordance with the law, and solidly carried out the daily work of the Board. All directors were diligent and responsible, ensuring the standardized operation of the Board and making scientific decisions on major issues. During the reporting period, the Board of the Company convened a total of 3 general meetings and 2 shareholders’ class meetings, and submitted proposals and reports for review of 22 in total. The Board held a total of 16 meetings and reviewed and listened to 148 proposals and reports in total. The special committees of the Board held 42 meetings and reviewed proposals and reports of 155 in total, covering risk management, internal control and compliance construction, institutional adjustment, senior management appointment and other aspects, and further expanded the scope of discussion and decision-making. The Board strictly implemented regulatory requirements, improved the basic system of corporate governance, revised and improved the Company’s Articles of Association, rules of procedure for general meetings, rules of procedure for Board meetings, and equity management measures, developed management measures for Board authorization, management measures for Director’s performance of duties, and temporary measures for investment management, etc., improved decision-making and guidance on major business management matters, and further demonstrated governance effectiveness.

II. IMPROVE THE QUALITY AND EFFICIENCY OF FINANCIAL SERVICES TO SUPPORT THE DEVELOPMENT OF THE REAL ECONOMY

In 2022, under the guidance of the Municipal Party Committee and Government, the Board of the Company further strengthened the construction of the senior management team and completed the relevant work of market-oriented selection of the president, board secretary, and two assistant presidents. It continuously optimized the organizational structure, established two deputy branch-level business units, adjusted the work responsibilities of 11 head office departments, formulated organizational structure reform plans, and completed the comprehensive optimization of the organizational structure. The Board optimized incentives and constraint mechanisms, improved performance allocation, linked performance-based compensation with job responsibilities, tilted resources towards the grassroots, and carried out special incentives for priority works. During the reporting period, the Company continued to tilt its credit resources towards the province. It launched “Ten Measures” for supporting and serving small and medium enterprises, and financial assistance for enterprise relief; implemented the “16 Financial Measures” to support the stable and healthy development of the real estate industry; supported the development of strategic industries in the province and the city, granting a credit of RMB10.7 billion to the top 100 projects in the province; implemented the policies of “dual stability” and bank tax cooperation, and provided a total of RMB18.6 billion in inclusive small and micro loans, and RMB753 million in “dual stability” loans; and implemented policies for delaying repayment of principal and interest, as well as reducing interest and fees, with cumulative reduction of fees and interest exceeding RMB1.1 billion since the outbreak of the pandemic.

III. DEEPEN THE DEVELOPMENT OF FEATURED BUSINESSES AND FACILITATE THE OPTIMIZATION OF BUSINESS STRUCTURE

During the Reporting Period, the Board fully supported the development of featured businesses of the Company and the development of international business recorded the best in history. In 2022, the Company launched the CIPS standard transceiver programme, the annual international settlement reached RMB54.6 billion, and the cross-border RMB business reached RMB59.3 billion, both of which recorded the best in the industry within the province. Deposit-taking business was further consolidated. Customers deposits exceeded RMB500 billion and retail deposits exceeded RMB350 billion, both of which played important supporting roles in the Bank’s asset scale soaring to RMB700 billion. The traditional advantage of financial market business was brought into further play, as well as asset allocation was optimized. As such, financial institutions businesses of the Bank recorded an operating income of RMB1,950.6 million, accounting for 15.2% of the operating income of the Bank. The Bank optimized its bond portfolio simultaneously and realized band income of RMB347 million.

IV. PROMOTE THE COORDINATED OPERATION OF VARIOUS GOVERNANCE BODIES AND LAY A SOLID FOUNDATION FOR INTERNAL CONTROL AND COMPLIANCE PERFORMANCE

The Board has established a regular work mechanism with the Board of Supervisors, for the purpose that relevant information and incidents can be reported to the Board of Supervisors in a timely and truthful manner, and it can receive the supervision by the Board of Supervisors according to law. The Report on Duty Performance of Directors by the Board of Supervisors shall be periodically presented at the Board. The Board shall supervise the senior management to conduct operating activities as well as execute and implement resolutions approved by the general meetings and board meetings in accordance with the Articles of Association and authorities from Board. The Board shall listen to the opinions of the labor union when studying and deciding on the vital issues concerning the operation by the Company. The issues concerning the vital interests of the employees shall be subject to the consideration and approval at the employee representative meeting when the Board approve or make a resolution. In 2022, the Company organized various audit projects, carried out internal control and compliance performance on a regular basis, streamlined its overall systems and rules and developed 31 handbooks on such systems and rules. The Company actively implemented all requirements of each department, optimized the risk management policy and internal rating system, and initiated the implementation of expected credit loss approach. In the meantime, the Company launched investigations into case risks to strengthen its management and control of liquidity risk and reputation risk as well as maintain operational security at critical time points.

V. CAPITAL REPLENISHMENT ACHIEVE BREAKTHROUGHS AND REASONABLY MANAGE THE PACE OF EXTERNAL INVESTMENT

In 2022, the Board of Directors of the Company formulated the Capital Adequacy Management Plan for 2022 to conduct the internal capital adequacy assessment and continuously improve the refinement level of the Company's capital management. During the reporting period, the Company successfully achieved breakthroughs in capital replenishment, and promoted the local government special bonds amounting to RMB10 billion to replenish the other tier-one capital by convertible negotiated deposits. The Bank proceed with the issue of perpetual bonds to make good use of the remaining perpetual bonds limit. The Company has successfully issued the third tranche of perpetual bonds amounting to RMB700 million and the issuance of the perpetual bonds has been completed with a total issuing scale of RMB11.7 billion. In 2022, the Board of Directors scientifically formulated the external investment plan, completed the increase of capital amounting to RMB74 million to Huachuan Village Bank, considered and approved the Plan on Absorption and Merger of Bayan Village and Township Bank and Yanshou Village and Township Bank for Conversion into a Branch. Currently, the absorption, merger, dismissal and establishment of both village banks for conversion into a branch have obtained approval from the regulatory authority.

VI. STRENGTHEN THE MANAGEMENT OF SHAREHOLDERS' EQUITY AND PROMOTE THE CONTROL OF RELATED PARTY TRANSACTIONS REGULARLY

In 2022, the Board of Directors of the Company continued to promote investigations on equity and related party transaction management on a regular basis, and implemented special regulatory work requirements. The Board also assessed the qualification of substantial Shareholders and major Shareholders annually, optimized assessment procedures and report contents, and reported to the general meeting. The Board initiated active communication to understand the qualification of the Shareholders of Fubon Life Insurance, strengthened the management of equity pledges and conduct equity pledges in accordance with law and compliance. It enhanced the shareholder identification and penetration management, regularly conducted the identification of H Shareholders, and understood the situation of shareholders through information reported by Shareholders and open market information. The Board optimized the management mechanism of related party transactions, implemented regulatory requirements, adjusted the leading department of related party transactions, initiated the construction of related party transaction management system, started the system sorting and revision, timely reviewed related party transaction matters, and made arrangements for the transition period of related party credit granting.

VII. INFORMATION DISCLOSURE IN COMPLIANCE WITH REGULATIONS TO SHAPE A GOOD IMAGE IN THE MARKET

The Board of Directors of the Company strictly enforces the Listing Rules of the Hong Kong Stock Exchange, conducts legal consultation with the Hong Kong Stock Exchange in advance for information disclosure of important issues, and standardizes the information disclosure, so as to ensure that information disclosure is in compliance with the requirements of laws and regulations. The Company has completely implemented regulatory requirements at home and abroad, and improved and enriched the content of the annual report, further facilitating the quality of information disclosure. During the Reporting Period, the Company completed the compilation of the 2021 annual report and the 2022 interim report, issued 32 interim announcements in both English and Chinese and 16 regular announcements throughout the year, as well as timely published announcements on key issues such as changes in senior management and issuance of special bonds. The Company has strengthened ESG management by publishing the annual ESG report and developing material topics of ESG management, and made disclosures on material topics such as inclusive finance, internal control, employee safety and growth, green banking and charity, promoting the optimization of the green finance management mechanism. In addition, the Company has strengthened the protection of consumers' rights and interests and established the connection mechanism of complaints and product service management. The Company has optimized the corporate governance column on the official website by integrating, optimizing and upgrading the original sections. As such, the interface has become more user-friendly, with the enriched content of sections, including the governance system, shareholder services and investor relationship management. During the Reporting Period, the Company published more than 100 news releases regarding investor relationship on many domestic and overseas mainstream media, which effectively promoted the corporate image and further enhanced the market attention and influence of the Company.

VIII. DIVERSIFICATION OF THE CHANNELS FOR DIRECTORS TO OBTAIN INFORMATION AND OPTIMIZATION OF THE ENVIRONMENT FOR DIRECTORS TO PERFORM THEIR DUTIES

The Board of Directors of the Company continues to strengthen the performance management of Directors, optimizes the environment for Directors to perform their duties, strives to better leverage the role of independent Directors, thus continuously improving the scientific decision-making of the Board of Directors. Moreover, the Company has formulated the Report Management Measures for Senior Management of Harbin Bank (《哈爾濱銀行高級管理層報告管理辦法》), which strengthens communication among the management and enhances the implementation of the reporting system for the operation management. The research on key institutions in both online and offline form has provided the the Company with valuable opinions and suggestions for its development. In accordance with the requirements of the Listing Rules and actual working needs, the Company has actively arranged special trainings for Directors regarding internal control and compliance construction, ESG and anti-corruption. Additionally, the Company was in cooperation with the annual performance evaluation of Directors. Furthermore, independent Directors give full play to their roles by providing independent opinions on matters such as major related party transactions, the nomination of Directors, the appointment of senior management, and the remuneration of Directors and senior management. During the Reporting Period, the chairman held discussions with independent Directors to discuss key issues. All independent Directors held closed-door meetings to provide a lot of constructive opinions and suggestions for the healthy development of the Company. The Directors who hold equities unified the leadership of the Party with the protection of the rights and interests of the contributors of state-owned financial capital, and performed their duties independently, objectively, and prudently in compliance with the law and under the framework of market-oriented corporate governance by fully expressing their opinions and recommendations on strategic planning, related party transactions, risk management, assessment and evaluation, internal audit and consumer rights protection, which provided strong support for operation, development, reform and innovation of the Company.

In 2023, the Board of Directors of the Company will adhere to the guidance of the Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, comprehensively study, learn, and implement the spirit of the 20th Central Committee of the Communist Party of China, as well as implement the spirit of the economic work conferences of the Central Committee, Provincial Party Committee, and Municipal Party Committee, the People's Bank of China Work Conference, and the China Banking and Insurance Regulatory Commission. The Company will be committed to comprehensively strengthening the leadership of the Communist Party of China, adhere to the general keynote of stability and seeking progress in the midst of stability, insist on comprehensively deepening reforms, effectively prevent and defuse financial risks, enhance refined management of capital, improve the structure of assets and liabilities, continuously promoting the corporate governance capacity and the quality and effectiveness of serving real economies, aiming at high-quality development, thus creating greater value for customers and Shareholders.

In 2022, 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 2022 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 organized 9 meetings and considered 26 proposals at the meetings; the special committees organized 10 meetings and considered 16 proposals. The proposals being considered included the annual and interim report of the Company, the Work Report and work plan of the Board of Supervisors, the plan of profit distribution, the performance evaluation reports of the Board and the directors, the Board of Supervisors and supervisors, senior management and its members, the audit plan and report of the resignation of executive officers, the evaluation report of strategy execution, the assessment report of internal control, the work plan for the implementation of the strategic plan for 2021-2023, the Rules of Procedure for the Board of Supervisors, the Work Rules of the Committees under the Board of Supervisors, the method for evaluating the performance of senior management and its members, the working system for employee representative Supervisors, the work plans for the evaluation of duty performance. 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 18 Shareholders' general meetings and the Board meetings and attended 4 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 conducted survey interviews with 5 branches, 2 subsidiaries, the management headquarters of township and village banks, 5 village and township banks, Human Resources Department, Internal Audit Department, Compliance Management Department, Investment Banking Department, Financial and Accounting Department, Customers' Rights and Interests Protection Department, Debt Management Department, Asset Management Department, paid special attention to the implementation of regulatory opinions and rectification measures of the supervisory opinions of each institution, the overall operation of each operating institution, the allocation of remuneration, assessment and remuneration packages for senior management, the risks in key business areas such as wealth management and investment, the settlement of non-performing loans, the construction of internal control and compliance management, as well as the difficulties and problems encountered in the work, and formed 21 meeting minutes, with 83 suggestions in the areas of risk prevention, compliance operation, team building, group development, and corporate governance, 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 has 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, Deloitte Consulting was engaged to cooperate in the evaluation of the performance of Directors, Supervisors and senior management in 2022, based on the regulatory requirements and actual situation.

(V) Scientific implementation of evaluation and effective monitoring of strategic decisions.

During the reporting period, the Board of Supervisors not only considered the Evaluation Report on the 2021 Strategy Implementation of Harbin Bank (Group), for monitoring the implementation of the strategy, but also engaged Deloitte & Touche Financial Advisory Services Limited to carry out the Harbin Bank (Group) Strategic Evaluation Project by conducting an assessment of the scientificity, rationality and stability of the 2021-2023 Strategic Development Plan of Harbin Bank (Group). These efforts enabled to discover highlights, summarise strengths, identify problems and challenges, as well as put forward rationalised recommendations on the next strategic objectives and development goals to facilitate the Group's high quality development.

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

Firstly, the change of members of the Board of Supervisors was successfully completed. During the reporting period, the resignation of shareholder representative supervisors and the changes of employee representative supervisors were completed, and the composition of each committee of the Board of Supervisors was determined. Secondly, the Board of Supervisors improved the institutional system. During the reporting period, the Board of Supervisors amended the Rules of Procedure for the Board of Supervisors of Harbin Bank Co., Ltd., the Work Rules of the Nomination Committee under the Board of Supervisors of Harbin Bank Co., Ltd., the Work Rules of the Supervision Committee under the Board of Supervisors of Harbin Bank Co., Ltd., the Evaluation Method on Duty Performance of Senior Management and its Members of the Harbin Bank Co., Ltd., and formulated the Working Rules for the Employee Representative Supervisors of Harbin Bank Co., Ltd. (for Trial Implementation) to regulate the performance of supervision behavior and improve the supervision efficiency. Thirdly, the Board of Supervisors participated in special researches. During the reporting period, external Supervisors participated in the seminars between independent Directors and external Supervisors, receiving the reports of senior management on the risk management and internal control of the Bank, and made their suggestions accordingly. Fourthly, the Board of Supervisors strengthened the training of Supervisors. During the reporting period, Supervisors participated in the special training on the Internal Control Compliance Management, ESG Management and Anti-corruption organized by the Company to continuously improve their theoretical level and 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, motivated 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 improved.

II. INDEPENDENT OPINION PROVIDED BY THE BOARD OF SUPERVISORS ON RELATED MATTERS**(I) Legal compliance of operations**

During the reporting period, the Company's business activities complied with the requirements of the Company Law, the Commercial Bank Law and the Articles of Association, and the decision-making procedures were legal and valid. During the reporting period, the Board of Supervisors hasn't found that any Director or senior management member of the Company has violated the laws and regulations, the Articles of Association or harmed the interests of the Company and the Shareholders during the performance of their duties.

(II) Truthfulness of the financial reports

During the reporting period, the annual financial report of the Company was audited by BDO China SHU LUN PAN Certified Public Accountants LLP and BDO Limited (collectively as “**BDO**”) 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 report 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 2023, 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. OPERATION OVERVIEW

In 2022, under the strong leadership of the Bank's Party Committee, the strategic guidance of the Board and the supervision of the Board of Supervisors, the Bank thoroughly implemented the spirit of the 20th CPC National Congress and the Central Economic Work Conference and earnestly put the national economic and financial policies into practice. Based on the three financial tasks of "serving the real economy, preventing and controlling financial risks and deepening financial reform" and the three positioning as a city commercial bank of "serving the local economy, serving small- and medium-sized enterprises and serving urban and rural residents", the Bank accelerated the pace of reform and development, improved the quality and efficiency of financial services with the goal of high-quality development and taking institutional reform as the driving force and improvement of internal control and compliance mechanisms as the guarantee, thus achieving an overall improvement in "scale, quality and efficiency" and making a remarkable business performance.

The Group (based on the International Financial Reporting Standards, the same below) recorded net profit of RMB713 million, representing a year-on-year increase of RMB314 million or 78.7%. The net profit attributable to shareholders of the parent company amounted to RMB555 million, representing a year-on-year increase of RMB281 million or 102.6%. The basic earnings per share were RMB0.002. The return on average equity was 0.04%. The return on average total assets was 0.10%.

As at the end of 2022, the balance of the Group's NPLs was RMB8,219 million, representing a decrease of RMB264 million as compared to the end of last year. The NPL ratio was 2.89%, representing a slight increase of 0.01 percentage point as compared to the end of last year. The impairment coverage ratio was 181.54%, representing an increase of 19.09 percentage points as compared to the end of last year. The impairment losses on loans ratio was 5.25%, representing an increase of 0.57 percentage point as compared to the end of last year.

Table 1 Key accounting data and financial indicators

Unit: RMB100 million, %

Item	2022	2021
1. Profitability		
1.1 Net profit	7.13	3.99
Of which: Net profit attributable to Shareholders of the parent company	5.55	2.74
1.2 Return on average equity	0.04%	0.55%
1.3 Return on average total assets	0.10%	0.06%
1.4 Basic earnings per share (RMB)	0.002	0.025
1.5 Net interest margin (NIM)	1.55%	1.78%

Item	2022	2021
2. Income structure		
2.1 Net fee and commission income to operating income ratio	5.68%	5.66%
2.2 Cost-to-income ratio	39.41%	38.28%
3. Asset quality		
3.1 Balance of NPLs	82.19	84.83
3.2 NPL ratio	2.89%	2.88%
3.3 Impairment coverage ratio	181.54%	162.45%
3.4 Impairment losses on loans ratio	5.25%	4.68%
4. Capital adequacy ratios		
4.1 Core tier 1 capital adequacy ratio	8.64%	9.28%
4.2 Tier 1 capital adequacy ratio	10.69%	11.33%
4.3 Capital adequacy ratio	11.91%	12.54%

II. MAJOR INCOME AND EXPENSES

(I) Operating income. The Bank recorded operating income of RMB12,871 million, representing a year-on-year increase of RMB551 million or 4.5%.

1. Net Interest Income. In 2022, the Bank recorded a net interest income of RMB9,007 million, representing a decrease of RMB1,054 million or 10.5% year on year.

The interest income amounted to RMB26,065.0 million, representing a decrease of RMB383 million or 1.4% year on year, primarily due to the average yield ratio of total interest-earning assets decreasing from 4.68% in previous year to 4.47% in 2022.

The interest expense increased by RMB671 million or 4.1% year-on-year to RMB17,058 million, mainly due to the increase in the average balance of total interest-bearing liabilities from RMB558,129 million in last year to RMB589,272 million in 2022.

2. Net fee and commission income. In 2022, the Bank's net fee and commission income increased by RMB35 million or 5.0% year on year to RMB732 million, primarily attributable to the increase in the Bank's non-principal protected wealth management agency fee income.
3. Other non-interest Income. In 2022, other non-interest income increased by RMB1,570 million or 100.6% year on year to RMB3,132 million, which was mainly due to the increase in net operating income or loss.

(II) Operating Expenses. In 2022, operating expenses increased by RMB328 million or 6.6% year on year to RMB5,285 million. The cost-to-income ratio (tax and surcharge exclusive) was 39.41%, representing an increase of 1.13 percentage points year on year. Under the principles of practicing strict economy and running the Bank by thrift and hard work, the Bank strengthened the refined management on finance, optimised the fee and expense structure, and strictly controlled the administrative and operating expenses.

The business and administrative expenses increased by RMB355 million or 7.5% year on year to RMB5,071 million. The staff costs were RMB2,503 million, representing an increase of RMB169 million or 7.2% year on year, mainly due to the fact that firstly, the Bank significantly expanded the scale of its technology R&D talent teams, and secondly, 2022 was the first full year of implementing the enterprise annuity system by the Bank. Depreciation and amortisation were RMB780 million, representing an increase of RMB37 million or 5.0% year on year. Other operating expenses were RMB1,788 million, representing an increase of RMB149 million or 9.1% year on year, primarily attributable to the legal and advisory and other relevant fees in connection with the collection and disposal of assets and the business marketing inputs. Tax and surcharges amounted to RMB214 million, representing a decrease of RMB27 million or 11.2% year on year, primarily attributable to the impact on the related taxes as a result of the change of the Bank's business.

Table 2 Increase in operating expenses

Unit: RMB100 million

Item	2022 Balance	2022 Year-on year change	2022 Year-on year increase	2021
				Balance
Operating expenses	52.85	3.28	6.6%	49.57
1. Business & administrative expenses	50.71	3.55	7.5%	47.16
(1) Staff costs	25.03	1.69	7.2%	23.34
Of which: Salaries, bonuses and allowances	17.80	1.54	9.5%	16.26
(2) Depreciation and amortisation	7.80	0.37	5.0%	7.43
(3) Other operating expenses	17.88	1.49	9.1%	16.39
2. Tax and surcharges	2.14	-0.27	-11.2%	2.41

(III) **Credit impairment losses.** The provision of credit impairment losses decreased by RMB116 million or 1.7% year on year to RMB6,584 million.

(IV) **Income tax expenses.** Income tax expenses increased by RMB125 million or 76.7% year on year to RMB288 million.

Table 3 Major income and expenses

Unit: RMB100 million

Item	2022 Balance	2022 Year-on year change	2021 Year-on year increase	2021
				Balance
Operating income	128.71	5.51	4.5%	123.20
Net interest income	90.07	-10.54	-10.5%	100.61
Of which: Interest income	260.65	-3.83	-1.4%	264.48
Interest expense	170.58	6.71	4.1%	163.87
Net fee and commission income	7.32	0.35	5.0%	6.97
Other non-interest income	31.32	15.70	100.6%	15.62
Less: Operating expenses	52.85	3.28	6.6%	49.57
Less: Credit impairment losses	65.84	-1.17	-1.7%	67.01
Less: Other asset impairment losses	–	-1.01	-100.0%	1.01
Profit before tax	10.01	4.40	78.4%	5.61
Less: Income tax expense	2.88	1.25	76.7%	1.63
Net profit	7.13	3.14	78.7%	3.99
Attributable to:				
Shareholders of the parent company	5.55	2.81	102.6%	2.74
Minority shareholders	1.58	0.33	26.4%	1.25

III. MAIN ASSETS AND LIABILITIES

(I) **Loans.** The Bank 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 2022, the Bank's loan balances decreased by RMB9,944 million or 3.4% from the end of last year to RMB284,415 million, of which, the Bank's corporate loan balances decreased by 0.3% to RMB161,043 million. The balance of personal loans decreased by 11.6% to RMB117,361 million.

- (II) **Due from and placement with banks.** The balance of our due from and placement with banks was RMB25,799 million, representing an increase of RMB18,672 million or 262.0% as compared to the end of last year, which was mainly because the Bank 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 RMB294,747 million, representing an increase of RMB47,137 million or 19.0% as compared to the end of last year, which was mainly attributable to that the Bank improved its capital utilization rate by upscaling its various investments and continuously expanding channels of capital utilization.
- (IV) **Customer deposits.** As at the end of 2022, the balances of customer deposits were RMB557,826 million, representing an increase of RMB56,075 million or 11.2% as compared to the end of last year.
- (V) **Due to and placement from banks (including assets sold under reverse repurchase agreements).** The Bank's due to and placement from banks was RMB44,236 million, representing an increase of RMB661 million or 1.5% as compared to the end of last year.

Table 4 Major assets and liabilities

Unit: RMB100 million

Item	2022 Balance	2022 Year-on year change in amount	Rate of year-on year change	2021
				Balance
1. Total assets	7,127.33	676.87	10.5%	6,450.46
Of which:				
(1) Total loans	2,844.15	-99.44	-3.4%	2,943.59
(2) Due from and placement with banks	257.99	186.72	262.0%	71.27
(3) Investment securities and other financial assets	2,947.47	471.37	19.0%	2,476.10
2. Total liabilities	6,494.12	671.46	11.5%	5,822.66
Including:				
(1) Customer deposits	5,578.26	560.75	11.2%	5,017.51
(2) Due to and placement from banks (including assets sold under reverse repurchase agreements)	442.36	6.61	1.5%	435.75
3. Shareholders' equity	633.21	5.41	0.9%	627.80

In 2022, according to the regulatory requirements of the China Banking and Insurance Regulatory Commission (“CBIRC”) and the requirements of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and based on regulatory trends, policy guidance and supervisory opinions, the Bank comprehensively strengthened the compliance management of related party transactions, continued to strengthen its daily monitoring, statistics and analysis capabilities of related party transactions, refined the management and control process of related party transactions, improved the management system and mechanism of related party transactions, reviewed and approved related party transactions in a compliant manner, and duly fulfilled the approval and disclosure obligation of related party transactions, so as to effectively prevent improper transfer of benefits with related parties and ensure the compliance and effective operation of the Bank-wide management mechanism for related party transactions. In accordance with the Measures for the Administration of the Related Party Transactions of Banking and Insurance Institutions of CBIRC and the Bank’s Articles of Association, the implementation of related party transactions in 2022 is reported as follows:

I. MANAGEMENT OF RELATED PARTY TRANSACTIONS

(I) High regard for the risk associated with related party transactions and strict gate-keeping by directors with due diligence

The Board of Directors of the Bank, and the Risk Management and Related Transactions Control Committee under the Board of Directors (the “RMRTCC”) strictly adhered to the related requirements of the CBIRC and the Hong Kong Listing Rules and reviewed related party transactions of the Bank. The Bank’s RMRTCC comprised a majority of independent non-executive directors and was chaired by an independent director, which was in compliance with the relevant regulatory requirements. During the Reporting Period, the RMRTCC held a total of 13 meetings and considered a total of 14 resolutions related to the management of related party transactions, such as the report on the management of related party transactions, the estimated daily amount of related party transactions, substantial related party transactions and the list of related parties; the Board of Directors considered a total of eight resolutions relating to the report on the management of related party transactions, the estimated daily amount of related party transactions and substantial related party transactions. The directors of the Bank strictly implemented the regulatory requirements and in the course of considering the resolutions on related party transactions, the related directors have abstained from voting and the independent directors have fully expressed their independent opinions.

(II) Further optimizing the control system for related party transactions and consolidating the basis for the compliance of related party transactions

During the Reporting Period, the Bank was committed to optimizing the management structure and system of related party transactions, improving the informationization of related party transactions management and further consolidating the basis for the compliance of related party transactions. With reference to the supervisory authorities’ idea on the establishment of related party transaction system and in conjunction with the implementation

experience of related party transaction systems of peer financial institutions, the Bank comprehensively sorted out and optimized the management structure and system of related party transactions of the Bank according to the new regulations, promoted the amendments to the Administrative Measures for Related Party Transactions of Harbin Bank and initiated the establishment project of related party transaction management, through the implementation of the integrated plan for the management and consultation project of related party transactions + system establishment project, so as to enhance the quality and efficiency of the internal control on related party transactions and ensure that our business can be carried out in a compliant and orderly manner.

(III) Strictly complying with the approval procedures for related party transactions and protecting the overall interests of shareholders

In 2022, the Bank continued to improve the approval and disclosure mechanism for related party transactions. We supplemented, adjusted and verified the list of related parties in strict accordance with the relevant requirements of the CBIRC, conducted various approval procedures on general and substantial related party transactions in a compliant manner, and fulfilled the half-yearly and annual disclosure obligation for related party transactions in a timely manner.

(IV) Effectively giving play to the role of “three lines of defense” and conducting special audits for related party transactions

During the Reporting Period, the Bank continued to pay attention to the current situation of management of related party transactions and conducted special audits for related party transactions in terms of organizational structure, policy construction, system construction, identification of related parties and daily management of related transactions, so as to reveal problems, urge rectification and promote the standardized management of related party transactions. Attaching great importance to the management of related party transactions, the Bank conducted daily management of related party transactions in strict compliance with regulatory requirements. To enhance the management of related party transactions, the Bank adjusted the leading management department for related party transactions, further clarified the responsibilities for related party transaction management and standardized the procedures of identification, approval and filing of related party transactions. The list of related parties can be updated constantly in daily management and subsidiaries that the Bank controls and can have a significant impact on were incorporated into the management scope of related parties. At the same time, the Bank has been actively supervising and rectifying the deficiencies in the management of reporting and filing of related party transactions, construction of related party transaction system and identification of related parties.

II. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

In 2022, the Bank carried out the management of related parties and related party transactions in strict compliance with the relevant requirements of the CBIRC and the Stock Exchange. 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

In order to ensure the timeliness and accuracy of the identification of related parties, the Bank firstly requires insiders including substantial Shareholders and related entities, subsidiaries, Directors, Supervisors and senior management to proactively report the movements in a timely manner in accordance with regulatory requirements, and secondarily requires them to update and determine the list of related parties on a quarterly basis. By implementing the measures as mentioned above, the Bank further enhances the identification, reporting and information collection and management of related parties. As at the end of the Reporting Period, the Bank had a total of 2,065 related parties.

Related legal persons: The Bank identified a total of 399 related legal persons or other organisations, increasing by 184 as compared to the end of 2021, which was mainly due to a total of 44 subsidiaries of the Bank and investment enterprises under the labour union which the Bank exercises significant influence included in the management of related parties. Other changes were due to adjustments made in accordance with the new regulatory requirements resulting from changes in enterprises under the control of or significant influence by substantial Shareholders, Directors, Supervisors and senior management and their respective related parties, etc.

Related natural persons: The Bank identified a total of 1,666 related natural persons, decreasing by 280 as compared to the end of 2021. The decrease was mainly due to the reasons that Ms. Yang Xuemei, the former Shareholder Representative Supervisor and her close relatives ceased to be included in the management of related parties, and some staff and their close relatives ceased to be included in the management of related parties as a result of authority adjustment of large-amount credit granting and asset transfer within the Bank.

(II) Execution of related party transactions relating to credit

During the Reporting Period, the Bank's related party transactions relating to credit were conducted in accordance with the law and regulations. The Bank's related party transactions relating to credit were in excellent quality and no related party transaction detrimental to the interests of the Bank and its Shareholders was identified. In 2022, the Bank's related party transactions were as follows:

1. Credit for related legal persons

As at the end of the Reporting Period, Harbin Economic Development and Investment Company and its related parties ("**Harbin Economic Development and its related parties**"), Heilongjiang Financial Holdings Group Co., Ltd. and its related parties ("**Heilongjiang Financial Holdings and its related parties**"), Fubon Life Insurance Company Limited and its related parties ("**Fubon Life and its related parties**"), Harbin Bank Consumer Finance Co., Ltd. ("**HBCF**"), the subsidiary of the Bank, Harbin Bank Financial Leasing Co., Ltd. ("**HB Leasing**") and investment enterprises under the labour union which the Bank exercises significant influence conducted related party transactions or had outstanding business balances with the Bank. Details were as follows:

- (1) Harbin Economic Development and its related parties: During the Reporting Period, Harbin Economic Development and its related parties had 62 related party transactions relating to credit in the Bank, with total amounts of 20,702 million, of which: A total of 9 related party transactions relating to credit including new investment in bonds of non-bank related parties and working capital loans, with amount of RMB1,623 million, and the business is currently in normal condition. The Bank managed them as major related party transactions and submitted to Heilongjiang Branch of the CBIRC for filing after having been considered and approved by the Board. There were 53 inter-bank credit transactions of the Bank, including inter-bank lending with non-banking related parties, reverse repurchase agreements and bond purchases with wealth management funds, with amount of RMB19,079 million in total. The balance of such transactions was 0 as at the end of the Reporting Period. The Bank managed them as normal related party transactions.

During the Reporting Period, Harbin Economic Development and its related parties had outstanding business balances of RMB4,819 million, accounting for 8.03% of the Bank's net capital.

- (2) Heilongjiang Financial Holdings and its related parties: During the Reporting Period, Heilongjiang Financial Holdings and its related parties had no new related party transactions relating to credit with the Bank. As at the end of the Reporting Period, Heilongjiang Financial Holdings and its related parties had outstanding business balances of RMB1,262 million, of which the balance of non-inter-bank credit was RMB882 million (inter-bank credit of RMB380 million was not included in the scope of net capital as it is in line with Article 16(3) of the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions), accounting for 1.47% of the Bank's net capital.
- (3) Fubon Life and its related parties: During the Reporting Period, Xiamen Bank Co., Ltd., a related party of Fubon Life had 1 related party transaction with the Bank for bond purchases with the Bank's wealth management funds, with amount of RMB20 million. The balance of which was 0 as at the end of Reporting Period.
- (4) HBCF, the subsidiary of the Bank: During the Reporting Period, HBCF had 139 related party transaction with the Bank, mainly including inter-bank lending transaction and inter-bank deposit transaction with amount of RMB40,990 million. The Bank managed them as major related party transactions and submitted to Heilongjiang Branch of the CBIRC for filing after having been considered and approved by the Board.

As at the end of the Reporting Period, the credit balance of HBCF was RMB6,750 million, accounting for 11.25% of the Bank's net capital, which was a major related party transaction. In accordance with the requirements of the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, its credit balance has exceeded the limit for individual related party. The Bank has formulated transitional rectification plan in accordance with the requirements of the Notice of the General Office of the China Banking and Insurance Regulatory Commission on the Implementation of the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, and submitted to Heilongjiang Branch of the CBIRC for filing after having been considered and approved by the ninth meeting of the eighth session of the Board of the Bank. Specifically, subsidiaries shall grant credit with the outstanding credit as the credit limit and gradually decrease the pressure on credit balance during the transition period, so as to reduce credit balance pressure that meets the requirements of the Measures.

- (5) HB Leasing, the subsidiary of the Bank: During the Reporting Period, HB Leasing had a total of 54 related party credit transactions, with amount of RMB41.28 billion, all of which were inter-bank loan transactions. These transactions are significant related party transactions of the Bank and submitted to Heilongjiang Branch of the CBIRC for filing after having been considered and approved by the Board.

As at the end of the Reporting Period, the balance of the Bank's credit business totaled RMB9.395 billion, accounting for 15.65% of the net capital. In accordance with the requirements of the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, the balance of the Bank's credit facilities exceeded the limit of a single related party. The Bank has formulated a rectification plan for the transitional period in accordance with the requirements of the Notice of the General Office of the China Banking and Insurance Regulatory Commission on the Proper Implementation of the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, and submitted to Heilongjiang Branch of the CBIRC for filing after having been considered and approved by the ninth meeting of the eighth session of the Board of the Bank. Specifically, subsidiaries shall grant credit with the outstanding credit as the credit limit and gradually decrease the pressure on credit balance during the transition period, so as to reduce credit balance pressure that meets the requirements of the Measures.

- (6) Village Banks, subsidiaries of the Bank: During the Reporting Period, 7 village banks, including Zhuzhou Rongxing Village and Township Bank Co., Ltd. and Ning'an Rongxing Village and Township Bank Co., Ltd., had a total of 10 related party credit transactions, amounted to RMB352 million, all of which were inter-bank credit transactions. These transactions are to provide guarantee to the refinancing of the subsidiaries' loan to the PBOC in accordance with the PBOC regulations. As at the end of the Reporting Period, the balance of the Bank's guarantee was RMB352 million. Village Banks had a total of 6 inter-bank deposits with Shenzhen Baoan Rongxing Village and Township Bank Co., Ltd., Xin'an Rongxing Village and Township Bank Co., Ltd. and 2 other companies, amounted to RMB860 million. As at the end of the Reporting Period, the credit balance amounted to RMB530 million, all of which were general related transactions.
- (7) Enterprises under the labor union: In 2022, the Bank and Harbin Commercial Bank Labor Service Co., Ltd., an investment enterprise under the labor union, had 2 credit-related related transactions with a total transaction amount of RMB9 million. As at the end of the Reporting Period, the credit balance of the Bank was RMB8 million, accounting for 0.01% of the net capital, all of which were general related party transactions.

2. Credit for associated natural persons

During the Reporting Period, the Bank had 25 credit-related related transactions with related natural persons, with a total amount of RMB5.52 million. As at the end of the Reporting Period, the credit balance to related natural persons of the Bank totaled RMB94 million, accounting for 0.16% of the net capital, all of which were general related party transactions.

(III) Execution of Non-credit extension related party transactions

1. Service and related party transactions

During the Reporting Period, the Bank had a total of 2,217 service and related party transactions, amounted to RMB394 million, which were mainly the expenses incurred with the subsidiaries of the Bank and the investment enterprises under the trade union of the Bank due to agency sales of financial management, provision of technical services, car rental, printing and other services. The details are as follows:

- (1) The Bank had 10 related transactions with HBCF, a subsidiary, with a total amount of RMB297 million incurred, due to their provision of technical services to the Bank's credit card center. These transactions related to the aforementioned credit granting accumulatively reached the standards of major related party transactions, have gone through the approval process in accordance with the relevant regulations on the management of major related transactions, and have been reported to regulatory authorities.
- (2) The Bank had 38 service-related related transactions with Beijing Huairou Rongxing Village and Township Bank Co., Ltd. and other subsidiaries, with a total transaction amount of RMB98,000 incurred, due to their consignment sale of wealth management products of the Bank, all of which were general related transactions.
- (3) The Bank had 2,168 connected transactions with Beijing Rongxing Tongda Technology Co., Ltd., Harbin Shangyin Labor Service Co., Ltd., Harbin Shangyin Car Leasing Co., Ltd. and other investment enterprises under the trade union, with a total transaction amount of RMB96.9823 million incurred, due to the provision of information technology, car rental, printing and other services to the Bank, all of which were general connected transactions.
- (4) The Bank had 1 service-related related transaction, amounted to RMB129,700, with Shanghai Tonglian Financial Services Co., Ltd. (上海通聯金融服務有限公司), a former related party of independent non-executive director Hou Bojian, for performing unfinished business under contracts signed in previous years.

2. Deposits and other related transactions

(1) *Deposit transactions with related parties*

After the implementation of new regulations, the Bank had 1,551 related party transactions of deposits (excluding demand deposits) with shareholders Harbin Economic Development and its related parties, Heilongjiang Financial Holdings and its related parties, subsidiaries, etc., amounted to RMB2.108 billion. The details are as follows:

The Bank had 5 related party transactions of deposits (excluding demand deposits, the same below) with shareholder Harbin Economic Development and its related parties, with a total amount of RMB193 million, which were mainly corporate structured deposits, corporate time deposits, corporate margin deposits, etc. Part of the transactions involved in related transactions related to the aforementioned credit granting accumulatively reached the standards of major related party transactions, therefore the Bank has handled them in accordance with the relevant requirements of major related party transactions. The Bank had 6 related party transactions of deposits with shareholder Heilongjiang Financial Holdings and its related parties, with a total amount of RMB1.533 billion, all of which were mainly general related transactions including interbank certificates of deposit, corporate large-value certificates of deposit, etc. The Bank had 1 interbank deposit transaction with its subsidiary, Jiangsu Rudong Rongxing Village and Township Bank Co., Ltd., amounted to RMB38 million, which was a general related party transaction.

The Bank had 1,539 deposit transactions with related natural persons, amounted to RMB344 million, which were general related party transactions.

(2) *Other transactions with related parties*

During the Reporting Period, the Bank conducted 22 other transactions with related parties with a total amount of RMB74.7806 million, all of which were ordinary related party transactions. The transactions included a capital increase of RMB74.3785 million to a subsidiary Huachuan Rongxing Township Bank Co., Ltd.; a transaction of RMB281,500 with Dalian Yinda Property Company Limited, which was invested by the labor union of the Bank, for its payment of electricity bills for one of the Bank's premises; and 20 bond borrowing and lending businesses with Fubon Bank (China) Co.,Ltd., a related party of Fubon Life Insurance, a major shareholder, and Xiamen Bank Co., Ltd., with a total amount of RMB120,600.

**Interim Measures for Equity Investment Management of
Harbin Bank Co., Ltd.**

(Draft)

CHAPTER 1 GENERAL

Article 1 The Measures are formulated in accordance with the Company Law of the People's Republic of China, the Law for Commercial Banks of the People's Republic of China, the Administrative Licensing Matters concerning Chinese-funded Commercial Banks, the Guidelines on Management and Regulation of Consolidated Financial Statements of Commercial Banks and other laws, administrative regulations, departmental rules and regulations, regulatory documents, as well as relevant requirements such as the Articles of Association of Harbin Bank Co., Ltd. (the "Articles of Association of the Company"), with the purpose of further standardizing the equity investment of Harbin Bank Co., Ltd. (the "Company"), preventing and controlling investment risks, improving investment returns, enhancing the Company's overall competitiveness, protecting the legitimate rights and interests of the Company, shareholders, creditors and stakeholders, and taking into account the actual situation of the Company.

Article 2 The equity investment referred to in the Measures refers to the acquisition of shares or equity in the investee through the payment of cash or non-cash assets, and the enjoyment of a certain percentage of the assets represented by the equity share. The form of investment includes, but is not limited to, making investment, additional investment, merger and acquisition of investment, etc. The equity investments referred to in the Measures do not include debt-to-equity conversions in the normal course of business, acquisition of shares or equity interests by way of offsetting debts in kind, and the Company's transactional investment and financial management activities in the financial market.

If the Company is able to exercise control over an investee, the investee is referred to as a subsidiary of the Company.

Article 3 The Company's equity investments are categorized as general equity investments and significant equity investments.

General equity investments are equity investments in which the amount of a single investment no more than 5% of the net assets attributable to the Company's shareholders in the Company's latest audited annual consolidated financial statements.

Significant equity investment refers to equity investments in which the amount of a single investment exceeds 5% (inclusive) or more of the net assets attributable to the Company's shareholders in the Company's latest audited annual consolidated financial statements.

Article 4 The Company's equity investments are subject to the following principles:

- (I) Strategic Orientation and Focus on Main Business. It is in line with the Company's medium- and long-term development strategy, effectively synergizes with the Company's main business and is conducive to enhancing the Company's overall competitiveness.
- (II) Legal Compliance and Prudent Decision-making. The Company shall strictly comply with internal and external regulations to ensure that there are no legal or policy barriers to equity investments. In addition, the Company shall adequately conduct feasibility studies and strictly follow the approval procedures.
- (III) Controllable Risks and Reasonable Returns. The Company shall fully evaluate various risk factors, such as policy, market, financial and legal factors, and shall match the Company's risk control ability and achieve effective risk segregation from existing business. The investment return should match the development stage of the investee.
- (IV) Clear Authority and Responsibility, and Standardized Governance. The rights and responsibilities of the equity investment shall be clear, so that the management of the investee is regulated in strict accordance with the relevant provisions of corporate governance.

Article 5 The Company shall establish a full process management mechanism for equity investments. The Company shall conduct due diligence or feasibility study, strengthen overall budget management, perform graded approval, continuously monitor risks, make proper post-evaluation of equity investment projects, and implement tracking and accountability.

Article 6 The Company shall formulate an annual equity investment plan at the beginning of each year and shall not invest in equity investment projects that are not included in the annual equity investment plan in principle; if additional investment is required, the annual equity investment plan shall be adjusted after fulfilling the required review procedures.

CHAPTER 2 ORGANIZATION AND MANAGEMENT FOR EQUITY INVESTMENT

Article 7 The Party Committee of the Company is responsible for the pre-consideration of matters related to equity investments; the implementation of the requirements of the Party's control over the cadres, and the strict qualitative review of the selection of directors, supervisors and senior management nominated or recommended by the Company to the investee.

Article 8 The Company's investment plans and major equity investment projects are determined at the Company's general meetings.

Article 9 The Board of Directors of the Company determines the Company's annual equity investment plan and general equity investment projects, and is responsible for studying major issues in the process of equity investment management, etc.

Article 10 The Development Strategy Committee of the Board of Directors is responsible for considering and advising on the equity investment project plan that requires the approval of the Board of Directors at the general meeting of the Company, and where risk mitigation is involved, it shall also be considered and advised by Risk Management and Related Transaction Control Committee of the Board.

Article 11 The President of the Bank is responsible for organizing the implementation of the Company's equity investment project plans approved by the competent decision-making bodies.

Article 12 The Investment Management Office is the designated management department for the Company's equity investments. The terms of reference of the Investment Management Office are: to prepare the management system of the Company's equity investment; to take the lead in preparing the annual equity investment plan; to assist the President in organizing the implementation of the equity investment project plan; to take the lead in organizing the whole process management of the equity investments; to exercise shareholders' rights and fulfill shareholders' obligations on behalf of the Company in accordance with the relevant regulations; and to perform other tasks as assigned by the Board of Directors.

Article 13 Each functional department of the Company carries out relevant work in conformity with the needs of the implementation of equity investment projects, post-investment management and disposal of equity investments; and provides professional management and guidance to its subsidiaries in accordance with the relevant management requirements of the consolidated financial statements.

Article 14 The Company's equity investments that are subject to the approval of the relevant regulatory authorities shall be implemented only after obtaining such approval.

Article 15 Legal documents such as agreements related to the Company's equity investments will be signed by the Company's legal representative or a person authorized by the competent institutions on behalf of the Company.

CHAPTER 3 WORKING PROCEDURES FOR EQUITY INVESTMENT

Article 16 Investment suggestions. The Investment Management Office conducts research on the Company's equity investment projects and proposes equity investment suggestions based on the Company's strategic development plans or annual equity investment plans. The business department and subsidiaries of the Company can also propose equity investment suggestions based on business development needs and submit them to the Investment Management Office.

Article 17 Establishment of a project team. In principle, a project team shall be established for an equity investment project. The members of the project team may choose to hire intermediary agencies to participate in relevant work in accordance with the relevance and necessity of the equity investment project. The Investment Management Office shall submit a proposal for the establishment of an equity investment project team to the Chairman for approval.

The main responsibilities of the equity investment project team include:

- (1) Collecting project information and conducting feasibility studies on the project;
- (2) Developing a proposal for the equity investment project;
- (3) Conducting project negotiations and drafting project agreements;
- (4) Organizing intermediary agencies to carry out audit, asset verification, asset evaluation, due diligence and issue legal opinions according to legal requirements and project needs;
- (5) Fulfilling the internal and external approval procedures of the project;
- (6) Implementing project agreements and executing project transactions;
- (7) Handling project company preparation or change affairs;
- (8) Other affairs related to the equity investment project.

Article 18 Assessment and validation. The equity investment project team conducts assessment and validation for the equity investment project, and thereon forms a proposal for the equity investment project. Members of the project team shall fully express their opinions. If necessary, external experts or third-party institutions can be hired to independently conduct feasibility validation and issue reports.

Matters requiring financial audit and asset evaluation shall be subject to corresponding procedures in accordance with relevant regulations. The asset evaluation results shall be used as a reference for the Company to sign investment agreements, make capital contributions or determine acquisition prices. No price shall be determined without evaluation.

Article 19 Internal approval. The Investment Management Office submits the proposal for an equity investment project to the Party Committee and the President's Office for review, which shall be approved by the shareholders' general meeting or the Board of Directors according to their delegated authorities. If for any special reason adjustments are required to be made to the approved proposal for an equity investment project, in principle it shall be re-submitted for approval in accordance with the decision-making authority and process for equity investments. Where there is a mandate granted at the shareholders' general meeting or by the Board of Directors, adjustments may be made within the scope of mandate.

Article 20 Investment application. If the equity investment of the Company requires approval from regulatory authorities and relevant government departments, the Investment Management Office is responsible for leading the organization and handling of the application process.

Article 21 Proposal implementation. The equity investment project team is responsible for implementing the proposal for an equity investment project, including but not limited to handling matters such as agreement execution, payment for investment, transfer of assets, obtaining investment vouchers, and registration. The Company shall not make investment payments or transfer assets before signing the investment agreement.

Article 22 Archives management. The Investment Management Office is responsible for archiving and managing materials related to the validation, approval, application of an equity investment project and the implementation of the investment proposal.

CHAPTER 4 POST INVESTMENT MANAGEMENT OF EQUITY INVESTMENT

Article 23 The Company respects the independent legal personality of the investee, exercises shareholder's rights and fulfills shareholder's obligations in accordance with laws, administrative regulations, and the articles of association and internal regulations of the investee, facilitates the investee to continuously improve its corporate governance mechanism, enhance its institutional system, operate in accordance with laws and regulations, protect the rights and interests of investors, and maximize investment benefits.

Article 24 The Company effectively prevents and controls equity investment risks by establishing and improving mechanisms for management of personnel dispatched to the investee, decision-making on major matters of the investee and its implementation, and monitoring of corporate governance, finance, and risk profiles of the investee.

Article 25 The directors, supervisors, and senior management dispatched by the Company shall report their performance of duties to the Company in a timely manner. The Company shall strengthen technical support for, and supervision and evaluation of the performance of dispatched directors, supervisors, and senior management, and establish and improve incentives and constraints and accountability mechanisms. The directors, supervisors, and senior management dispatched by the Company shall seek opinions from the Company before proposing and voting on relevant matters of the investee.

Article 26 The Company implements consolidation management for the investee included in the consolidation scope according to the requirements of consolidation management.

Article 27 The Investment Management Office is responsible for establishing post investment management archives for the investee, which include but not limited to basic information, proof of capital contribution, important meeting materials, and important agreements of the investee.

Article 28 The Investment Management Office shall regularly lead and organize post project evaluations of the investee, and report to the senior management, Board of Directors, and Party Committee. The Company shall use the post project evaluation results as a reference for resources distribution to the investee and assessment of the dispatched personnel.

CHAPTER 5 DISPOSAL OF EQUITY INVESTMENT

Article 29 The Company may dispose of the equity in an equity investment implemented by the Company through capital reduction, equity transfer, dissolution and other methods if any of the following occurs:

- (1) The business development and benefits of the investee differ significantly from the investment expectations, making it difficult to achieve strategic goals;
- (2) The business environment has changed, and the business operated by the investee no longer meets the needs of the Company's development strategy;
- (3) The investee experiences significant losses in its operations, and the loss situation is difficult to reverse;
- (4) According to national laws, regulations and regulatory requirements, it is necessary to withdraw from an investment;
- (5) The occurrence of investment withdrawal as stipulated in the investment agreement;
- (6) Other situations where the Company deems it necessary to withdraw from an investment.

Article 30 In principle, a project team shall be established before implementing equity disposal. The establishment procedures of the project team shall be executed with reference to the relevant procedures for the establishment of an equity investment project team.

Article 31 The Investment Management Office shall submit the proposal for equity disposal to the Party Committee, the President's Office, and the Board of Directors for review, which is subject to approval at the shareholders' general meeting.

Article 32 Subject to the approval of the proposal for equity disposal, the Investment Management Office shall lead and organize project team members to carry out relevant work related to the transaction execution of equity disposal according to their respective responsibilities.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 33 Any matters not covered in these Measures shall be implemented in accordance with the provisions of relevant national laws, administrative regulations, departmental rules, normative documents, and the Articles of Association of the Company.

Article 34 If these Measures contravene any future laws, administrative regulations, departmental rules, normative documents promulgated by the state, or the legally amended Articles of Association of the Company, they shall be implemented, promptly amended and reported to the shareholders' general meeting for consideration and adoption in accordance with the then provisions of the relevant national laws, administrative regulations, departmental rules, normative documents, and the Articles of Association of the Company.

Article 35 These Measures shall be interpreted by the Board of Directors of the Company.

Article 36 These Measures shall come into effect from the date of approval at the shareholders' general meeting of the Company.

NOTICE OF 2022 ANNUAL GENERAL MEETING



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 2022 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 annual general meeting (“**AGM**”) of Harbin Bank Co., Ltd. (the “**Bank**”) will be held at Conference Room 4001, Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin, China, at 9:00 a.m. on Friday, 19 May 2023 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 28 April 2023 (the “**Circular**”) unless otherwise stated.

ORDINARY RESOLUTIONS

1. To consider and approve the “Proposal on the 2022 Work Report of the Board of Directors”.
2. To consider and approve the “Proposal on the 2022 Work Report of the Board of Supervisors”.
3. To consider and approve the “Proposal on the 2022 Final Account Report”.
4. To consider and approve the “Proposal on the 2023 Financial Budgets”.
5. To consider and approve the “Proposal on the 2022 Profit Distribution Plan”.
6. To consider and approve the “Proposal on the 2022 Annual Report”.
7. To consider and approve the “Proposal on the Appointment of Auditors for 2023”.
8. To consider and approve the “Proposal on the 2022 Report on the Management of Related Party Transactions”.
9. To consider and approve the “Proposal on the Remuneration Distribution Plan for the Directors for 2022”.
10. To consider and approve the “Proposal on the Remuneration Distribution Plan for the Supervisors for 2022”.

NOTICE OF 2022 ANNUAL GENERAL MEETING

11. To consider and approve the “Proposal on the Interim Measures for Equity Investment Management of Harbin Bank Co., Ltd.”.

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

Harbin, China, 28 April 2023

* *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 2022 Work Report of the Board of Directors, the 2022 Work Report of the Board of Supervisors, the 2022 Final Account Report, the 2022 Report on the Management of Related Party Transactions and the Interim Measures for Equity Investment Management referred to in Resolutions No. 1, 2, 3, 8 and 11 are set out in Annex A, Annex B, Annex C, Annex D and Annex E 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, 15 May 2023 to Friday, 19 May 2023 (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, 15 May 2023 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, 12 May 2023.

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).

NOTICE OF 2022 ANNUAL GENERAL MEETING

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 and the HKExnews website of Hong Kong Exchanges and Clearing Limited at 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.

As at the date of this notice, the Board of the Bank 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.