
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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(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6138)

**(1) PROPOSED ELECTION OF SHAREHOLDER REPRESENTATIVE
SUPERVISOR**

**(2) PROPOSED AMENDMENTS TO THE ADMINISTRATIVE
MEASURES FOR THE RELATED PARTY TRANSACTIONS
AND**

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

The Bank will convene the EGM at Conference Room 4001, Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin, Heilongjiang, China on Monday, 28 August 2023, at 8:30 a.m. The notice of the EGM is set out on pages 59 to 60 of this circular.

If you intend to appoint a proxy to attend the EGM, 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 EGM. 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 EGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM 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:

“Administrative Measures for the Related Party Transactions”	the Administrative Measures for the Related Party Transactions of Harbin Bank Co., Ltd. (《哈爾濱銀行股份有限公司關聯交易管理辦法》)
“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 incorporated in the PRC on 25 July 1997 with limited liability in accordance with the Company Law of the PRC (《中華人民共和國公司法》), and the H Shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 6138)
“Board” or “Board of Directors”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“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
“EGM”	the 2023 first extraordinary 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 Monday, 28 August 2023 at 8:30 a.m., or any adjournment thereof
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“H Shareholder(s)”	holder(s) of H Shares
“H Shares”	overseas listed foreign shares of a nominal value 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 HK\$

DEFINITIONS

“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
“Latest Practicable Date”	4 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC” or “China”	the People’s Republic of China, for the purpose 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	Domestic Shares and/or H Shares of the Bank
“Supervisor(s)”	the supervisor(s) of the Bank

LETTER FROM THE BOARD



(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

8 August 2023

To the Shareholders,

Dear Sir/Madam,

1. INTRODUCTION

The purpose of this circular is to provide you with detailed information regarding, among others, the (i) proposed election of shareholder representative Supervisor; and (ii) proposed amendments to the Administrative Measures for the Related Party Transactions so as to enable you to make informed decisions on whether to vote for or against the relevant resolutions to be proposed at the EGM.

2. PROPOSED ELECTION OF SHAREHOLDER REPRESENTATIVE SUPERVISOR

Reference is made to the announcement of the Bank dated 1 August 2023, in relation to, among others, the proposed election of Ms. Chen Wei as a shareholder representative Supervisor of the eighth session of the Board of Supervisors of the Bank.

LETTER FROM THE BOARD

The Board of Supervisors has approved and proposed to nominate Ms. Chen Wei as a shareholder representative Supervisor candidate of the eighth session of the Board of Supervisors of the Bank to the shareholders' general meeting of the Bank at a meeting held on 1 August 2023. The proposed election of Ms. Chen Wei as a shareholder representative Supervisor of the Bank is subject to the consideration and approval at the shareholders' general meeting of the Bank. If elected, the term of office of Ms. Chen Wei will be from the date of approval at the shareholders' general meeting of the Bank to the expiration date of the term of office of the eighth session of the Board of Supervisors.

Biographical details of Ms. Chen Wei are set out as follows:

Ms. Chen Wei (陳巍), aged 53. Ms. Chen has served as the chairman of the labor union of Harbin High-tech Industrial Development Zone Infrastructure Development and Construction Co., Ltd. (哈爾濱高新技術產業開發區基礎設施開發建設有限公司) since August 2019, and has served as the director of the finance department of Harbin High-tech Industrial Development Zone Infrastructure Development and Construction Co., Ltd. since October 2017; has served as the financial controller of Harbin New Area New Material Development Co., Ltd. (哈爾濱新區新材料發展有限公司) and Harbin Songjiang Auto Leasing Co., Ltd. (哈爾濱松江汽車租賃有限公司) since March 2023; has served as the financial controller of Harbin New Area Internet of Things Co., Ltd. (哈爾濱新區物聯網有限公司) since August 2022; has served as a supervisor of Harbin New Area Financial Park Management Co., Ltd. (哈爾濱新區金融園管理有限公司) since September 2020; and has served as a supervisor of Harbin Xingyi Memory Technology Co., Ltd. (哈爾濱星憶存儲科技有限公司) since February 2017. Ms. Chen previously served as the accountant, deputy director of the finance department, director of investment and financing department and assistant to the general manager of Harbin High-tech Industrial Development Zone Infrastructure Development and Construction Co., Ltd. from November 2009 to August 2019, an accountant of Harbin Development Zone Heli Infrastructure Development Co., Ltd. (哈爾濱開發區合力基礎設施發展有限公司) from March 2002 to November 2009, an accountant of Harbin High-tech Industrial Development Zone Infrastructure Development and Construction Co., Ltd. from December 2001 to March 2002, an accountant of Harbin High-tech Soybean Food Co., Ltd. (哈高科大豆食品有限責任公司) from October 1998 to December 2001, an accountant of Harbin Chemical Construction Corporation (哈爾濱市化工建設總公司) from October 1991 to October 1998. Ms. Chen received a college degree from Harbin Cadre College of Economic Management in July 1996, and is currently a senior accountant as accredited by Heilongjiang Human Resources and Social Security Bureau (formerly known as the Personnel Department of Heilongjiang Province).

Ms. Chen Wei has confirmed that, saved as disclosed above: (1) she does not hold any other positions with the Bank or any of its subsidiaries and has not been a director in any other listed companies during the past three years; (2) she has no relationship with any other directors, senior management or substantial Shareholders of the Bank; and (3) as at the Latest Practicable Date, she does not have any interest in the Shares of the Bank within the meaning of Part XV of the SFO.

LETTER FROM THE BOARD

Ms. Chen Wei has also confirmed that there was no other information in relation to her proposed election that needs to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules, and there is no other matter in relation to her proposed election that needs to be brought to the attention of the Shareholders.

Upon her election, the Bank will enter into a Supervisor service contract with Ms. Chen Wei. The remuneration of Ms. Chen Wei will be determined in accordance with the Supervisor Allowance Management Regulations of the Bank, which may include supervisor's fee and allowance. The specific remuneration of Ms. Chen Wei will be determined in accordance with the relevant requirements of the Articles of Association, taking into account the results of annual assessment on her duty performance. The specific amount of such remuneration will be disclosed in the interim and annual reports of the Bank.

The resolution in relation to the proposed election of shareholder representative Supervisor will be put forward at the EGM for consideration and approval by way of an ordinary resolution.

3. PROPOSED AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR THE RELATED PARTY TRANSACTIONS

In accordance with relevant regulations and regulatory requirements including the *Measures for the Administration of the Related Party Transactions of Banking and Insurance Institutions* (《銀行保險機構關聯交易管理辦法》), the *Interim Measures for the Equity Management of Commercial Banks* (《商業銀行股權管理暫行辦法》) and Hong Kong Listing Rules, the Bank proposed to make amendments to the currently effective Administrative Measures for the Related Party Transactions.

The proposed amendments to the Administrative Measures for the Related Party Transactions have been considered and approved at the meeting of the Board of Directors held on 2 August 2023, and will be put forward at the EGM for consideration and approval by way of an ordinary resolution.

Explanations of amendments to the Administrative Measures for the Related Party Transactions are set out in Appendix I to this circular, and the full text of the Administrative Measures for the Related Party Transactions (the revised draft) is set out in Appendix II to this circular.

4. THE EGM

The Bank will convene the EGM at Conference Room 4001, Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin, Heilongjiang, China on Monday, 28 August 2023, at 8:30 a.m. The notice of the EGM is set out on pages 59 to 60 of this circular. The proxy form for use at the EGM is also enclosed herewith.

LETTER FROM THE BOARD

If you intend to appoint a proxy to attend the EGM, 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 forms should be returned to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited (17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, Tel: 852-2862 8555), in any event served by hand, by post or by fax not less than 24 hours before the time stipulated for convening the EGM. For Domestic Shareholders, the proxy forms 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 EGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM if you so wish.

5. VOTING BY POLL

According to the Hong Kong Listing Rules, any vote of shareholders at a 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 EGM.

6. RECOMMENDATION

The Board of Directors considers that all the resolutions to be proposed at the EGM 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
Harbin Bank Co., Ltd.
Deng Xinquan
Chairman

**APPENDIX I EXPLANATIONS OF AMENDMENTS TO THE ADMINISTRATIVE
MEASURES FOR THE RELATED PARTY TRANSACTIONS**

**Explanations of Amendments to the Administrative Measures for the Related Party
Transactions of Harbin Bank Co., Ltd.**

In accordance with the Measures for the Administrative of the Related Party Transactions of Banking and Insurance Institutions (Order No. 1 of 2022 of the China Banking and Insurance Regulatory Commission) (hereinafter referred to as “Order No. 1 on Related Party Transactions”), the Interim Measures for Equity Management of Commercial Banks (Order No. 1 of 2018 of the China Banking Regulatory Commission) (hereinafter referred to as the “Equity Management Measures”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant regulations and regulatory requirements, the currently effective Administrative Measures for the Related Party Transactions of Harbin Bank Co., Ltd. shall be amended. The details of amendments are set out below:

I. General Provisions

The General Provisions section mainly updates the definitions of related parties and related party transactions in accordance with Order No. 1 on Related Party Transactions, further clarifies the scope of related parties, supplements the definition of related party transactions in the Hong Kong Listing Rules and the Accounting Standards for Business Enterprises, as well as the basic principles for the identification of related parties.

1. Updating the definition of related parties, defining related parties in accordance with Order No. 1 on Related Party Transactions as natural person, legal person or unincorporated organization that one party controls the other party or exercises significant influence over the other party, and are under common control or significant influence with the Bank; and updating the scope of related parties in Annex 1. Clarifying the scope of persons with approval or decision-making authority for major branches and core businesses such as large-value credit facilities and asset transfers. And the definition of related parties in the Equity Management Measures is added in Annex 1. (Article 2)
2. Updating the definition of related party transactions to define related party transactions in accordance with Order No. 1 on Related Party Transactions, which refers to the benefit transfer between the Bank and a related party. (Article 3)
3. It is newly added that a related party transaction defined under the Hong Kong Listing Rules shall refer to the transaction with the related parties and specified class of transactions with third parties which may enable related parties to obtain a benefit through their interests in entities subject to the transaction. Such transaction may be a one-off transaction or a continuing transaction. (Article 5)

**APPENDIX I EXPLANATIONS OF AMENDMENTS TO THE ADMINISTRATIVE
MEASURES FOR THE RELATED PARTY TRANSACTIONS**

4. It is newly added that a related party defined under the Accounting Standards for Business Enterprises shall refer to a party that controls, jointly controls or exercises significant influence over another party, and two or more parties that are controlled, jointly controlled or significantly influenced by the same party, which constitutes a related party. (Article 6)
5. It is newly added that a related party transaction defined under Accounting Standards for Business Enterprises shall refer to the transfer of resources, labour services or obligations between related parties, whether with or without consideration. (Article 7)
6. The principle of recognizing related parties is newly added, that is, the identification of related parties of the Bank shall follow the principles of substance over form and penetration, and natural persons, legal persons or unincorporated organizations that may result in the transfer of the Bank's interests shall be identified as related parties. (Article 8)

II. Division of Duties and Responsibilities (Newly Added)

The new section of the Division of Duties and Responsibilities clarifies the division of responsibilities from the shareholders' general meeting to each branch, increase to 20 departments involved in specific related party transactions based on the scope of business of related parties and related party transactions, and establishes a cross-departmental related party transactions management office in accordance with the requirements of the Order No. 1 on Related Party Transactions.

1. Newly adding the division of duties and responsibilities of the shareholders' general meeting, with the following main contents: the general meeting shall be responsible for considering and approving the rules for the management of related party transactions, considering and approving the annual special report on the overall situation of related party transactions, considering and approving material related party transactions in the event that the number of directors who have no interest in the related party transactions on the Board of Directors is less than three, and considering and approving related party transactions recognized by the Hong Kong Listing Rules as requiring the approval of the shareholders' general meeting. (Article 11)

APPENDIX I EXPLANATIONS OF AMENDMENTS TO THE ADMINISTRATIVE MEASURES FOR THE RELATED PARTY TRANSACTIONS

2. Articles 32 and 33 of the former Chapter 6 Supervision and Management of Related Party Transactions shall be adjusted to Articles 12 and 14 of Chapter II Division of Duties and Responsibilities, and the division of duties and responsibilities between the Board of Directors and the Risk Management and Related Party Transactions Control Committee of the Board of Directors shall be adjusted, with the comparisons shown in the table below.

Department	Before division of duties and responsibilities	After division of duties and responsibilities
The Board of Directors	The Board of Directors of the Company is responsible for the supervision and management of related party transactions, and its responsibilities include: (I) to formulate the Company's related party transaction policies and related regulations; (II) to approve the related party transactions and continuing related party transactions that are subject to review and approval by the Board as stipulated in Articles 20 and 21 of these Measures, and submit (if applicable) related party transactions approved by the general meeting; (III) information disclosure of related party transactions and other powers and responsibilities authorized by the general meeting.	The Board of Directors shall be ultimately responsible for the management of related party transactions. Its duties include making a special report on the overall situation of related party transactions to the general meeting every year and submitting it to the National Administration of Financial Regulation or its dispatched agencies; reviewing the relevant systems for the management of related party transactions; and reviewing matters relating to material related party transactions.
The Risk Management and Related Party Transactions Control Committee of the Board of Directors	(I) to collect and organize the list and information of related parties of the Company; (II) to inspect and supervise the control of the Company's related party transactions, and the implementation of the Company's related party transaction system by the directors, senior management personnel and related parties of the Company, and report to the Board; (III) to review related party transactions that are subject to consideration and approval by the Board of Directors and the shareholders' general meeting; (iv) other matters delegated by the Board of Directors. The day-to-day affairs of the Risk Management and Related Party Transactions Control Committee in relation to the management of related party transactions shall be handled by the Office of the Board of Directors of the Company.	It shall be responsible for the day-to-day management of the Bank's related party transactions; reviewing the management system of the related party transactions and making recommendations to the Board of Directors; confirming the list of the Bank's related parties; accepting the filing of general related party transactions; and reviewing the matters relating to material related party transactions and other related party transactions that need to be submitted to the Board of Directors or the shareholders' meeting for consideration and submitting to the Board of Directors for consideration or approval by the Board of Directors.

**APPENDIX I EXPLANATIONS OF AMENDMENTS TO THE ADMINISTRATIVE
MEASURES FOR THE RELATED PARTY TRANSACTIONS**

3. Adjusting the division of duties and responsibilities of the Board of Supervisors in Article 40 of the original Chapter VI Supervision and Management of Related Party Transactions to Article 13 of Chapter II, to read as: “Responsible for supervising related party transactions in accordance with the regulations of the supervisory authorities and the relevant requirements of the Articles of Association of the Bank.” (Article 13)
4. Deleting the duties and responsibilities of the senior management of the Company in Article 34 of the original Chapter VI Supervision and Management of Related Party Transactions.
5. Newly adding the division of duties and responsibilities of the Comprehensive Risk Management and Related Party Transactions Control Committee, mainly as follows: responsible for reviewing the management system of related party transactions and making recommendations to the Risk Committee of the Board of Directors; reviewing the Bank’s list of connected parties and matters related to significant related party transactions (except for those involving credit approval). (Article 15)
6. Establishing an inter-departmental related party transactions management office at the management level, comprising the Board Office, the Office of Supervisory Board, the Internal Control and Compliance Department, the Credit Approval Department, the Financial and Accounting Department, the Human Resources Department, the Risk Management Department, the Asset Management Department, the Retail Finance Department, the Institutional Finance Department, the Internet Finance Department, the Inclusive Finance Department (Agriculture-benefiting Credit Department), Consumer Credit Department (Credit Card Centre), the Finance Market Department and other business departments involved in related party transactions, and the office shall be located in the Internal Control and Compliance Department. (Article 16)
7. Newly adding the division of duties and responsibilities of the cross-departmental related party transactions management office, which mainly includes: the day-to-day affairs such as the maintenance and identification of related parties and the management of related party transactions across the Bank; accepting the reporting of general related party transactions of the Bank and its subsidiaries; examining the disputes arising from the definition of related parties and related party transactions of each department, and deciding whether or not to report to the Comprehensive Risk Management and Related Party Transactions Control Committee under the senior management of the Bank for consideration depending on the nature of the issues. (Article 16)

**APPENDIX I EXPLANATIONS OF AMENDMENTS TO THE ADMINISTRATIVE
MEASURES FOR THE RELATED PARTY TRANSACTIONS**

8. Newly adding the division of the Internal Control and Compliance Department, which mainly includes: responsible for the daily work of the inter-departmental related party transactions management office and the monitoring of the overall situation of related party transactions in the Bank; take the lead in drafting the management system of related party transactions across the Bank; take the lead in establishing and maintaining the related party transactions management system; take the lead in consolidating and maintaining a list of connected parties in compliance with the various supervisory channels; take the lead in collecting and consolidating data on the management of related party transactions across the Bank and submit the data to the supervisory authority for the purpose of the related party transactions management; cooperate with the business departments in reviewing the relevant contents of non-business authorizations for the major credit related party transactions or the proposals that are required to be submitted to the Risk Committee of the Board of Directors for consideration; and take the lead in organizing and conducting training on the related party transaction across the Bank. (Article 17)
9. Newly adding the duties and responsibilities of the Board Office, which mainly include: collecting, updating and maintaining information on the Bank's shareholders, affiliates of the shareholders and directors' related parties in accordance with the unified work arrangement of the leading department and submitting the information to the leading department for review; preparing for the meetings of the Board of Directors and the Risk Committee; and cooperating with the relevant departments to fulfil the disclosure procedures in accordance with the domestic and overseas regulatory requirements and the requirements of the securities regulatory authorities in the places where the shares are listed. (Article 18)
10. Newly adding the division of duties and responsibilities of the Investment Management Office, which mainly includes: responsible for cooperating with the leading department for related party transactions to initiate related party transactions, including cooperating with the collection of basic information of subsidiaries as connected parties of Harbin Bank and providing feedback to the leading department for related party transactions. (Article 19)
11. Newly adding the division of duties and responsibilities of the Office of the Board of Supervisors, which mainly includes: responsible for collecting, updating and maintaining relevant information on supervisors and their related parties. (Article 20)
12. Newly adding the division of duties and responsibilities of the Office of the Head Office, which mainly includes: responsible for collecting, updating and maintaining relevant information on the senior management of the Bank and its related parties. (Article 21)

**APPENDIX I EXPLANATIONS OF AMENDMENTS TO THE ADMINISTRATIVE
MEASURES FOR THE RELATED PARTY TRANSACTIONS**

13. Newly adding the division of duties and responsibilities of the Credit and Investment Management Department, which mainly includes: responsible for formulating credit policies related to credit related party transactions, including but not limited to the conduct of credit business related to related party transactions on terms no more favourable than those offered for similar transactions with unrelated parties in accordance with commercial principles. (Article 22)
14. Newly adding the division of duties and responsibilities of the Credit Approval Department, which mainly includes: responsible for assuming the corresponding responsibility for the compliance of the examination and approval of credit related party transactions; it is responsible for the examination and approval of the credit limits and conditions of the credit granted for credit related party transaction; in respect of material related party transactions, it shall promptly remind and supervise the business departments to fulfil the procedures for the consideration and approval of material related party transactions, and cooperate with the business departments in submitting the proposal on major credit related party transactions to the Risk Committee of the Board of Directors and the Board of Directors for consideration and approval and shall strictly follow the approval limits and requirement of the Board to extend credit to related parties. It is responsible for the consideration and approval of the limits of credit related party transactions, the submission of details of the balance of credit related party transactions and related information in accordance with regulatory reporting requirements, and is responsible for the truthfulness, completeness, accuracy and timeliness of the information provided in relation to such transactions. (Article 23)
15. Newly adding the division of duties and responsibilities of the Financial and Accounting Department, which mainly includes: responsible for coordinating the auditor's communication with the department in charge of the management of related party transactions regarding the information on related party transactions in the audit report, and providing information on the audited data on the net capital of the legal representative and the group on a consolidated basis. (Article 24)
16. Newly adding the division of duties and responsibilities of the Human Resources Department, which mainly includes: responsible for collecting, updating and maintaining the relevant information of the personnel with the authority to approve or make decisions on the core business such as large-value credit and asset transfer and their related parties. (Article 25)
17. Newly adding the division of duties and responsibilities of the Risk Management Department, which mainly includes: responsible for the work of the Comprehensive Risk Management and Related Party Transactions Control Committee under the Senior Management in accordance with the departmental responsibilities. (Article 26)

**APPENDIX I EXPLANATIONS OF AMENDMENTS TO THE ADMINISTRATIVE
MEASURES FOR THE RELATED PARTY TRANSACTIONS**

18. Newly adding the division of duties and responsibilities of the Technology Management Department, which mainly includes: responsible for taking the lead in the development, technical support and operation management of the information system related to the management of related party transactions in accordance with the needs of the Bank's related party transactions management, and continuously improving the Bank's related party transactions data governance. (Article 27)
19. Newly adding the division of duties and responsibilities of the Data Centre, which mainly includes: responsible for coordinating system software and hardware resource availability protection, network resource availability protection (including special lines), prudent implementation of production and change content, daily operation monitoring and maintenance, and prioritizing problem and incident response in accordance with known disposal information. (Article 28)
20. Newly adding the division of duties and responsibilities of the Software R&D Centre, which mainly includes: responsible for the development and technical support of the information system related to the management of related party transactions in accordance with the needs of the Bank for the management of related party transactions. (Article 29)
21. Newly adding the division of duties and responsibilities of the Internal Audit Department, which mainly includes: responsible for organizing and carrying out special audits of related party transactions on an annual basis and supervising and inspecting the management of related party transactions and the implementation of the system. (Article 30)
22. Newly adding the division of duties and responsibilities of each business department, which mainly includes: responsible for assuming corresponding responsibility for the compliance of related party transactions; each business department of related party transactions is responsible for the management of related party transactions of its own department or business line, improving the internal control mechanism of related party transactions of this business line, optimizing the management process, and ensuring the quality of statistical reporting of related party transactions data. Each department is responsible for the management of obtaining information, risk judgment and risk control, including: identifying related parties and related party transactions; calculating of the amount of related party transactions; fulfilling the procedures of reviewing, approving, filing and reporting of related party transactions of the department or branches of the line; and cooperating in the disclosure of information on related party transactions, data statistics and reporting, cap monitoring, self-inspection and rectification. (Article 31)

**APPENDIX I EXPLANATIONS OF AMENDMENTS TO THE ADMINISTRATIVE
MEASURES FOR THE RELATED PARTY TRANSACTIONS**

23. Newly adding the division of duties and responsibilities of each branch, which mainly includes: responsible for assuming the corresponding responsibility for the compliance of related party transactions, and for collecting, updating and maintaining the relevant information on the personnel with the authority to approve or make decisions on the core business of the branch, such as large amount of credit, asset transfer, etc., and their related parties. Branches shall, in accordance with the duties and responsibilities of the organization, embed the requirements for the management of related party transactions into the business processes and operational specifications, with specific duties and responsibilities including: declaration of information on related parties, identification of related party transactions, review and approval, statistical reporting and filing, and so on. (Article 32)
24. Clarifying that a subsidiary shall be responsible for the truthfulness, accuracy and completeness of the information provided by it. (Article 33)
25. Deleting the original Chapter 2, Related Parties, and adjusting relevant definitions to the General Provisions section.

III. Regulation Requirements (Newly Added)

In the newly added regulation requirements, the reporting mechanism of related parties in the original Chapter V is adjusted to the Section I Related Party Identification, Reporting and Information Collection under the Chapter III; the content of related party transactions in the original Chapter III and the Section I and II of Classification and Approval of Related Party Transactions in the original Chapter IV are adjusted to the Section III Types of Related Party Transactions under the Chapter III; the Section IV Voting Procedures for Reviewing Related Party Transactions by the Board of Directors under the original Chapter IV and the pricing policy of related party transactions in the original Chapter VII are adjusted to the Section IV Pricing of Related Party Transactions and Management of Related Party Transactions under the Chapter III. The original processes are adjusted according to the new division of responsibilities.

(I) Related Party Identification, Reporting and Information Collection

1. Putting forward the management requirements for the identification of related party for related party management departments. (Articles 34 and 35)
2. Updating the related party reporting process, from the original “report to the Company’s Risk Management and Related Party Transactions Control Committee” to “report their related parties to the internal control and compliance department. The internal control and compliance department shall report the changes in the related parties of the above-mentioned personnel in a timely manner to the Risk Committee of the Board of Directors in the form of a resolution”. (Article 36)

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3. Adjusting the reporting responsibility, from the original “The legal persons, other organizations, various departments of the Company and natural persons with reporting obligations stipulated hereunder shall guarantee the authenticity, accuracy and completeness of the content of their reports to the Company in writing at the same time as reporting, and shall be responsible for the corresponding compensation for all losses suffered by the Company arising from any false representation or material omission in their reports” to “The natural persons, legal persons or other organizations that are subject to the reporting obligation hereunder shall assure the Bank in writing or email at the same time of reporting that the reported content is true, accurate and complete, and shall bear legal responsibility for all losses suffered by the Bank arising from any false representation or material omission in their reports”, and adding provisions of “If the Bank’s internal personnel as related parties have the above-mentioned behaviors, the Bank will hold the relevant personnel accountable in accordance with relevant measures such as the treatment of employee violations”. (Article 38)
4. Adjusting the related party confidentiality regulations to the Section II Related Party Management under Chapter III. (Article 45)
5. Updating the related party reporting process of other relevant departments, from the original “The various departments, branches and subsidiaries of the Head Office find that natural persons, legal persons, or other organizations meet the conditions of related parties but have not been recognized as related parties or have been found a natural person, legal person or other organization confirmed as a related party no longer meets the requirements for a related party, and shall report to the Risk Management and Related Party Transactions Control Committee of the Board of Directors in a timely manner” to “shall report to the relevant responsible department and the related party transaction management office for verification in a timely manner based on the type of related party and the specific circumstances. The relevant responsible department and the related party transaction management office will add or delete the related party information after verification and confirmation”. (Article 42)
6. Newly adding information reporting requirements for shareholders and their related parties, clarifying that “For shareholders and related parties who misreport or conceal key data and information and refuse to fulfill the obligation to report information, the Bank will restrict the rights of shareholders in accordance with regulatory documents, and truthfully reflect the relevant situation in the evaluation of substantial shareholders and major shareholders”. (Article 39)

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7. Newly adding related party information file management requirements, stipulating that “The related party management departments shall collect, update and maintain related party information in a timely and accurate manner according to the requirements of the Bank, and properly keep related party information files”. (Article 41)
8. Newly adding management requirements for submitting data to the regulator. The Bank shall report information on related parties, material related party transactions, and quarterly related party transactions to National Administration of Financial Regulation or its dispatched agencies in a timely manner through the relevant information system for related party transaction supervision to ensure the authenticity and accuracy of the data and shall not conceal or omit such information. (Article 40)

(II) Related Party Management

1. Newly adding that the Risk Committee of the Board of Directors shall report the confirmed related parties of the Bank to the Board on an annual basis. (Article 43)
2. Newly adding mechanism for publishing of the list of related parties. The internal control and compliance department shall, based on the confirmation by the Risk Committee of the Board of Directors, promptly publish the list of related parties to relevant departments of the Head Office, branches, subsidiaries and other relevant institutions. (Article 44)
3. Clarifying that the Bank shall improve the informatization and intelligence in the management of related parties and related party transactions, and strengthen the ability of big data management. (Article 46)

(III) Types of Related Party Transactions

1. Adjusting the content of related party transactions in the original Chapter III to the Types of Related Party Transactions in Section III under Chapter III.
2. Adding the related party transactions regarding deposits and other categories, and matters which may result in transfer of benefits of the Bank based on the principle of substance over form, to the fourth item of the types of related party transactions. (Article 47)
3. Adjusting the Classification of Related Party Transactions under the National Administration of Financial Regulation in Section I and the Classification of Related Party Transactions under the Hong Kong Listing Rules in Section II under the original Chapter IV Classification and Approval of Related Party Transaction to the Type of Related Party Transactions in Section III under Chapter III.
4. Newly adding the types of related party transactions recognized under the Accounting Standards for Business Enterprises. (Article 52)

**APPENDIX I EXPLANATIONS OF AMENDMENTS TO THE ADMINISTRATIVE
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(IV) Pricing of Related Party Transactions and Management of Related Party Transactions

1. Adjusting the Voting Procedures for Consideration of Related Party Transactions by the Board of Directors in the original Section IV under the original Chapter IV, the Chapter VII Pricing Policies for Related Party Transactions to the Pricing of Related Party Transactions and Management of Related Party Transactions in Section IV under Chapter III.
2. Adjusting the scope of the pricing policy by deleting the original Article 42 on the scope of transactions that are no more favourable than similar transactions with non-related parties.
3. Adding the provision that “When necessary, the Risk Committee of the Board of Directors may engage an independent third party, such as a financial advisor, to issue a report as a basis for judgment” to the pricing policies. (Article 53)
4. Updating the filing process for general related party transactions and the review process for material related party transactions, which provides that “General related party transactions shall be reviewed in accordance with the Bank’s internal managements system and authorization procedures, and shall be reported by the departments involving business transactions to the Internal Control and Compliance Department for filing, and the Internal Control and Compliance Department shall report the filing to the Risk Committee of the Board of Directors on a quarterly basis. The business department shall submit the related party transaction proposals for material related party transactions, which shall be submitted to the Risk Committee of the Board of Directors for review and to the Board of Directors for approval after confirmation procedures by the business review and approval department and the leading department of related party transactions management. Any resolution of a meeting of the Board of Directors shall be subject to the approval by more than two-thirds of the non-related directors. Where fewer than three non-related directors attend such a meeting, the transactions shall be submitted to the shareholders’ general meeting for review.” (Article 55)
5. Deleting the scope of related directors.
6. Clarifying duties and responsibilities of independent directors, which provides that the independent directors of the Bank shall issue written opinions on the fairness and compliance of the material related party transactions one by one and the performance of the internal examination and approval procedure. Where the independent director deems it necessary, he may engage intermediaries and other independent third parties to provide opinions at the expense of the Bank. (Article 57)

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7. Newly adding the methods for calculating the amount of the related party transaction, stipulating that the methods for calculating the amount of the related party transaction of the Bank are as follows: (I) the amount of a credit related party transaction shall be calculated based on the amount specified in the signed agreement in principal; (II) the amount of a related party transaction for asset transfer shall be calculated based on the transaction price or fair value; (III) the amount of a service related party transaction shall be calculated based on the amount of business income or expenditure; (IV) other calculation standards determined by the National Administration of Financial Regulation. (Article 58)
8. Newly adding the provisions on the management of unified transaction agreements (Article 61, Article 62).
9. Newly adding management requirements for review and disclosure of credit related party transactions (Article 64)
10. Newly adding management requirements for review and disclosure of non-credit related party transactions (Article 64)

(V) Management Procedures for Related Party Transactions of Subsidiaries (Newly Added)

The main contents newly added include: establishment of identification, reporting and filing mechanism of the related party transactions of subsidiaries (Article 67), and requirements for information management of related party transactions of subsidiaries (Article 68).

(VI) Prohibition on Related Party Transactions (Newly Added)

1. Adjusting Articles 36 to 39 of the original Chapter VI Supervision and Management of Related Party Transactions to Articles 71 and 72 of Section VI Prohibition on Related Party Transactions.
2. Main contents newly added:

Article 69 The Bank's related party shall not evade the internal review and external supervision of related party transactions and the obligation to report and disclose related party transactions by concealing the related party relationship and other improper means.

Article 70 The Bank shall not evade the approval or supervision requirements for material related party transactions by covering up related party relationships, splitting transactions, and other concealed ways. The Bank shall not use various nested transactions to lengthen the financing chain, obscure the essence of business or evade regulatory regulations, nor shall it illegally raise funds, transfer assets, make idle arbitrage, conceal risks, etc. for shareholders and their related parties.

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Article 73 The Bank shall not engage any accounting firm, professional evaluation institution or law firm under the control of a related party to provide audit, evaluation and other services to the Bank.

Article 74 Shareholders or their controlling shareholders, de facto controllers, directors and senior management who have violated the above provisions in related party transactions shall be penalized in accordance with the Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions and other relevant regulations; other internal staff shall be penalized in accordance with the Bank's relevant rules and regulations.

(VII) Reporting and Disclosure of Related Party Transactions Recognized by the National Administration of Financial Regulation

1. Adjusting and subdividing the contents of the report and disclosure in the Section III Approval Procedures and Disclosures of Related Party Transactions under the Chapter III Related Party Transactions into the Section VII Reporting and Disclosure of Related Party Transactions Recognized by the National Administration of Financial Regulation and the Section VIII Reporting and Disclosure of Related Party Transactions Recognized by the Stock Exchange, and adjusting the relevant approval procedures to the Section IV Pricing of Related Party Transactions and Management of Related Party Transactions.
2. Newly adding the types of related party transactions shall be reported to the supervisory authorities on a case-by-case basis (Article 76).
3. Newly adding the requirement of submitting quarterly reports on related party transactions (Article 77).
4. Newly adding the requirements for disclosure of related party transactions on the official website, and updating the content of each disclosure on a case-by-case basis (Article 78).
5. Newly adding the exemptions from consideration and disclosure of related party transactions (Article 80, Article 83).
6. Newly adding the management requirements for information disclosure, data reporting, and system optimisation by each department and each branch (Article 81 and Article 82).

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(VIII) Reporting and Disclosure of Related Party Transactions Recognized by the Stock Exchange

1. Adjusted Article 16 of the Section VIII Reporting and Disclosure of Related Party Transactions Recognized by the Stock Exchange under the original Chapter IV Classification and Approval of Related Party Transactions to Article 84 of Section VIII Reporting and Disclosure of Related Party Transactions Recognized by the Stock Exchange under the Chapter III. Deleting Article 17 to Article 19.
2. Newly adding the requirements for disclosure of related party transactions such as annual reports (Article 85).

IV. Supervision and Inspection (Newly Added)

1. Newly adding the accountability provisions (Article 86 and Article 92).
2. Newly adding the data quality inspection management requirements (Article 88).
3. Newly adding the reporting mechanism on major risk matters of related party transactions (Article 89).
4. Newly adding the requirements for the rectification of related party transactions (Article 90).
5. Newly adding the audit requirements for related party transactions of the Stock Exchange (Article 91).

V. Flowcharts (Newly Added)

The newly added flowcharts mainly include: related party management process (proactive reporting, regular maintenance), related party transaction management process (for the National Administration of Financial Regulation, the Stock Exchange), related party transactions management process for subsidiaries, and related party transactions information disclosure process.

The Administrative Measures for the Related Party Transactions of Harbin Bank Co., Ltd.

(Revised Draft)

Chapter 1 General Provisions

Article 1 In order to regulate the management of related party transactions of the Harbin Bank Co., Ltd. (hereinafter referred to as the “Company”, the “Bank” or the “Head Office”), clarify the Bank’s related party transaction process and prevent related party transaction risks, these Measures are formulated in accordance with the Company Law of the People’s Republic of China, the Banking Supervision Law of the People’s Republic of China, the Commercial Bank Law of the People’s Republic of China, the Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions, the Interim Measures for Administration of Equity Interest of Commercial Banks, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter, the “Hong Kong Listing Rules”), Accounting Standards for Business Enterprises No. 36 Related Party Disclosure (hereinafter, the “Accounting Standards for Business Enterprises”) and other domestic and overseas laws, regulations, regulatory documents as well as relevant requirements under the Articles of Association of Harbin Bank Co., Ltd. (hereinafter referred to as the “Articles of Association”).

Article 2 A related party defined under the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions shall refer to natural person, legal person or unincorporated organization that one party controls the other party or exercises significant influence over the other party, and are under common control or significant influence with the Bank and the specific identification criteria are set out in Annex 1.

Article 3 A related party transaction defined under the Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions shall refer to the benefit transfer between the Bank and a related party.

Article 4 A related party defined under the Hong Kong Listing Rules shall refer to those related parties recognized in accordance with the relevant requirements of the Hong Kong Listing Rules, and the specific identification criteria are set out in Annex 2.

Article 5 A related party transaction defined under the Hong Kong Listing Rules shall refer to the transaction with the related parties and specified class of transactions with third parties which may enable related parties to obtain a benefit through their interests in entities subject to the transaction. Such transaction may be a one-off transaction or a continuing transaction.

APPENDIX II THE ADMINISTRATIVE MEASURES FOR THE RELATED PARTY TRANSACTIONS (THE REVISED DRAFT)

Article 6 A related party defined under the Accounting Standards for Business Enterprises shall refer to a party that controls, jointly controls or exercises significant influence over another party, and two or more parties that are controlled, jointly controlled or significantly influenced by the same party, which constitutes a related party, and the specific identification criteria are set out in Annex 3.

Article 7 A related party transaction defined under Accounting Standards for Business Enterprises shall refer to the transfer of resources, labour services or obligations between related parties, whether with or without consideration.

Article 8 The identification of related parties of the Bank shall follow the principles of substance over form and penetration, and natural persons, legal persons or unincorporated organizations that may result in the transfer of the Bank's interests shall be identified as related parties.

Article 9 A related party transaction of the Bank shall be conducted in compliance with the following principles:

- (I) Adhering to the laws, administrative regulations, Accounting Standards for Business Enterprises No. 36 – Related Party Disclosure, and the regulatory regulations of the National Administration of Financial Regulation, Hong Kong Listing Rules and other relevant laws, regulations, departmental rules and regulatory requirements of regulatory authorities;
- (II) Complying with the principles of good faith and equity;
- (III) Following commercial principles or normal commercial terms, and conducted on terms not more favorable than similar non-related party transactions.

Article 10 The term “related” is uniformly used herein to refer to related parties and related party transactions as defined by the National Administration of Financial Regulation and the Hong Kong Listing Rules.

Chapter II Division of Duties and Responsibilities

Article 11 The general meeting shall be responsible for considering and approving the rules for the management of related party transactions, considering and approving the annual special report on the overall situation of related party transactions, considering and approving material related party transactions in the event that the number of directors who have no interest in the related party transactions on the Board of Directors is less than three, and considering and approving related party transactions recognized by the Hong Kong Listing Rules as requiring the approval of the shareholders' general meeting.

Article 12 The Board of Directors shall be ultimately responsible for the management of related party transactions. Its duties include making a special report on the overall situation of related party transactions to the general meeting every year and submitting it to the National Administration of Financial Regulation or its dispatching organization; reviewing the relevant systems for the management of related party transactions; and reviewing matters relating to material related party transactions.

Article 13 The Board of Supervisors is responsible for supervising related party transactions in accordance with the regulations of the supervisory authorities and the relevant requirements of the Articles of Association of the Bank.

Article 14 The Risk Management and Related Party Transactions Control Committee of the Board of Directors (hereinafter referred to as the “Risk Committee of the Board”) shall be responsible for the compliance of related party transactions, and the composition of the Committee shall meet the regulatory requirements. Its duties include the day-to-day management of the Bank’s related party transactions; reviewing the management system of the related party transactions and make recommendations to the Board of Directors; confirming the list of the Bank’s related parties; accepting the filing of general related party transactions; and reviewing the matters relating to material related party transactions and other related party transactions that need to be submitted to the Board of Directors or the shareholders’ general meeting for consideration and submission to the Board of Directors for consideration or approval under the authorization of the Board of Directors.

Article 15 The Comprehensive Risk Management and Related Party Transactions Control Committee shall be responsible for the compliance of related party transactions. Its duties include reviewing the management system of related party transactions and making recommendations to the Risk Committee of the Board; reviewing the Bank’s list of related parties and matters related to material related party transactions (except for those involving credit approval).

Article 16 The Head Office shall establish an inter-departmental related party transactions management office at the management level, comprising the Board Office, the Office of the Board of Supervisors, the Internal Control and Compliance Department, the Credit Approval Department, the Financial and Accounting Department, the Human Resources Department, the Risk Management Department, the Asset Management Department, the Retail Finance Department, the Institutional Finance Department, the Internet Finance Department, the Inclusive Finance Department (Agriculture-benefiting Credit Department), the Consumer Credit Department (Credit Card Centre), the Finance Market Department and other business departments involved in related party transactions and the office shall be located in the Internal Control and Compliance Department.

**APPENDIX II THE ADMINISTRATIVE MEASURES FOR THE RELATED
PARTY TRANSACTIONS (THE REVISED DRAFT)**

Its duties and responsibilities include the day-to-day affairs such as the maintenance and identification of related parties and the management of related party transactions across the Bank; accepting the reporting of general related party transactions of the Bank and its subsidiaries; considering the disputes arising from the definition of related parties and related party transactions of each department, and deciding whether or not to report to the Comprehensive Risk Management and Related Party Transactions Control Committee under the senior management of the Bank for consideration depending on the nature of the issues.

Article 17 The Internal Control and Compliance Department, as the leading department of related party transactions, shall be responsible for the daily work of the inter-departmental related party transactions management office and the monitoring of the overall situation of related party transactions in the Bank; taking the lead in drafting the management system of related party transactions across the Bank; taking the lead in establishing and maintaining the related party transactions management system; taking the lead in consolidating and maintaining a list of related parties in compliance with the various supervisory channels; taking the lead in collecting and consolidating data on the management of related party transactions across the Bank and submitting the data to the related party transaction system of the supervisory authority; cooperating with the business departments in reviewing the relevant contents of non-business authorizations for the major credit related party transactions or the proposals that are required to be submitted to the Risk Committee of the Board for consideration; and taking the lead in organizing and conducting training on the related party transactions across the Bank.

Article 18 The Board Office is responsible for the day-to-day affairs of the Board of Directors and the Risk Committee of the Board of Directors, with specific duties including: collecting, updating and maintaining information on the Bank's shareholders, affiliates of the shareholders and directors' related parties in accordance with the unified work arrangement of the leading department and submitting the information to the leading department for review; preparing for the meetings of the Board of Directors and the Risk Committee of the Board of Directors; and cooperating with the relevant departments to fulfil the disclosure procedures in accordance with the domestic and overseas regulatory requirements and the requirements of the securities regulatory authorities in the places where the shares are listed.

Article 19 The Investment Management Office is responsible for cooperating with the leading department for related party transactions to initiate related party transactions, including cooperation with the collection of basic information of subsidiaries as related parties of Harbin Bank and providing feedback to the leading department for related party transactions.

Article 20 The Office of the Board of Supervisors is responsible for collecting, updating and maintaining relevant information on supervisors and their related parties.

**APPENDIX II THE ADMINISTRATIVE MEASURES FOR THE RELATED
PARTY TRANSACTIONS (THE REVISED DRAFT)**

Article 21 The Head Office is responsible for collecting, updating and maintaining relevant information on the senior management of the Head Office and its related parties.

Article 22 The Credit and Investment Management Department is responsible for formulating credit policies related to credit related party transactions, including but not limited to the conduct of credit business related to related party transactions on terms no more favourable than those offered for similar transactions with non-related parties in accordance with commercial principles.

Article 23 The Credit Approval Department is responsible for assuming the corresponding responsibility for the compliance of the examination and approval of credit related party transactions; it is responsible for the examination and approval of the credit limits and conditions of the credit granted for credit related party transactions; in respect of material related party transactions, it shall promptly remind and supervise the business departments to fulfil the procedures for the consideration and approval of material related party transactions, and cooperate with the business departments in submitting the proposal on major credit related party transactions to the Risk Committee of the Board of Directors and the Board of Directors for consideration and approval and shall strictly follow the approval limits and requirement of the Board to grant credit to related parties. It is responsible for the consideration and approval of the limits of credit related party transactions, the submission of details of the balance of credit related party transactions and related information in accordance with regulatory reporting requirements, and is responsible for the truthfulness, completeness, accuracy and timeliness of the information provided in relation to such transactions.

Article 24 The Financial and Accounting Department is responsible for coordinating the auditor's communication with the department in charge of the management of related party transactions regarding the information on related party transactions in the audit report, and providing information on the audited data on the net capital of the legal representative and the group on a consolidated basis.

Article 25 The Human Resources Department is responsible for collecting, updating and maintaining the relevant information of the personnel with the authority to approve or make decisions on the core business such as large-value credit and asset transfer and their related parties.

Article 26 The Risk Management Department is responsible for the work of the Comprehensive Risk Management and Related Party Transactions Control Committee under the senior management in accordance with the departmental responsibilities.

Article 27 The Technology Management Department is responsible for taking the lead in the development, technical support and operation management of the information system related to the management of related party transactions in accordance with the needs of the Bank's related party transactions management, and continuously improving the Bank's related party transactions data governance.

**APPENDIX II THE ADMINISTRATIVE MEASURES FOR THE RELATED
PARTY TRANSACTIONS (THE REVISED DRAFT)**

Article 28 The Data Centre is responsible for coordinating system software and hardware resource availability protection, network resource availability protection (including special lines), prudent implementation of production and change content, daily operation monitoring and maintenance, and prioritizing problem and incident response in accordance with known disposal information.

Article 29 The Software R&D Centre is responsible for the development and technical support of the information system related to the management of related party transactions in accordance with the needs of the Bank for the management of related party transactions.

Article 30 The Internal Audit Department is responsible for organizing and carrying out special audits of related party transactions on an annual basis and supervising and inspecting the management of related party transactions and the implementation of the system.

Article 31 Each business department is responsible for assuming corresponding responsibility for the compliance of related party transactions; each business department of related party transactions is responsible for the management of related party transactions of its own department or business line, improving the internal control mechanism of related party transactions of such business line, optimizing the management process, and ensuring the quality of statistical reporting of related party transactions data. Each department is responsible for the management of obtaining information, risk judgment and risk control, including: identifying related parties and related party transactions; calculating of the amount of related party transactions; fulfilling the procedures of reviewing, approving, filing and reporting of related party transactions of the department or branches of the line; and cooperating in the disclosure of information on related party transactions, data statistics and reporting, cap monitoring, self-inspection and rectification.

Article 32 Each branch is responsible for assuming the corresponding responsibility for the compliance of related party transactions, and for collecting, updating and maintaining the relevant information on the personnel with the authority to approve or make decisions on the core business of the branch, such as large amount of credit, asset transfer, etc., and their connected parties. Branches shall, in accordance with the duties and responsibilities of the organization, embed the requirements for the management of related party transactions into the business processes and operational specifications, with specific duties and responsibilities including: declaration of information on related parties, identification of related party transactions, review and approval, statistical reporting and filing.

Article 33 A subsidiary shall be responsible for the truthfulness, accuracy and completeness of the information provided by it.

Chapter III Regulation Requirements**Section I Related Party Identification, Reporting and Information Collection**

Article 34 The related party management departments shall fully identify related parties in accordance with various regulatory standards. For related parties identified according to the Measures for the Administration of the Related Party Transactions of Banking and Insurance Institutions, a list and ledger shall be established for standardized identification.

Article 35 The related party management departments shall, based on the principle of substance over form and penetration, identify natural persons, legal persons or unincorporated organizations that may result in transfer of benefits of the Bank as related parties.

Article 36 For changes on the Bank's directors, supervisors, senior managerial personnel, and personnel with the right to approve or make decisions on the core business including large-amount credit granting and asset transfer, the related party management departments shall report their related parties to the Internal Control and Compliance Department in accordance with the relevant provisions hereunder and the principle of substance over form within 10 working days from the date of their appointment. The Internal Control and Compliance Department shall report the changes in the related parties of the above-mentioned personnel in a timely manner to the Risk Committee of the Board of Directors in the form of a resolution.

Article 37 For natural persons, legal persons or unincorporated organizations that hold more than 5% of the Bank's equity interests, or hold less than 5% of the Bank's equity interests but have a significant impact on the Bank's operation and management, the related party management departments shall, within 15 working days from the date when the above-mentioned related party holds 5% of the equity interests or is able to exert a significant influence, report their related parties to the Internal Control and Compliance Department in accordance with the relevant provisions hereunder and the principle of substance over form.

The Internal Control and Compliance Department shall report the changes in the related parties of the above-mentioned personnel in a timely manner to the Risk Committee of the Board of Directors in the form of a resolution.

Article 38 The natural persons, legal persons or other organizations that are subject to the reporting obligation hereunder shall assure the Bank in writing or email at the same time of reporting that the reported content is true, accurate and complete, and shall bear legal responsibility for all losses suffered by the Bank arising from any false representation or material omission in their reports. If the Bank's internal personnel as related parties have the above-mentioned behaviors, the Bank will hold the relevant personnel accountable in accordance with relevant measures such as the treatment of employee violations.

APPENDIX II THE ADMINISTRATIVE MEASURES FOR THE RELATED PARTY TRANSACTIONS (THE REVISED DRAFT)

Article 39 For shareholders and related parties who misreport or conceal key data and information and refuse to fulfill the obligation to report information, the Bank will restrict the rights of shareholders in accordance with regulatory documents, and truthfully reflect the relevant situation in the evaluation of substantial shareholders and major shareholders.

Article 40 The Bank shall report information on related parties, material related party transactions, and quarterly related party transactions to National Administration of Financial Regulation or its dispatched agencies in a timely manner through the relevant information system for related party transaction supervision to ensure the authenticity and accuracy of the data and shall not conceal or omit such information.

Article 41 The related party management departments shall collect, update and maintain related party information in a timely and accurate manner according to the requirements of the Bank, and properly keep related party information files.

Article 42 The relevant departments, branches and subsidiaries of the Head Office shall submit related party information in a timely, true and complete manner.

The staff of various departments, branches and subsidiaries of the Head Office find that natural persons, legal persons, or other organizations meet the conditions of related parties but have not been recognized as related parties or find that a natural person, legal person or other organization confirmed as a related party no longer meets the requirements for a related party, and shall report to the relevant responsible department and the related party transaction management office for verification in a timely manner based on the type of related party and the specific circumstances. The relevant responsible department and the related party transaction management office will add or delete the related party information after verification and confirmation.

Section II Related Party Management

Article 43 The Risk Committee of the Board of Directors shall be responsible for confirming the related parties of the Bank and reporting to the Board on an annual basis.

Article 44 The Internal Control and Compliance Department shall, based on the confirmation by the Risk Committee of the Board of Directors, promptly publish the list of related parties to relevant departments, branches, subsidiaries and other relevant institutions of the Head Office.

Article 45 The institution related to the related party transaction management shall keep the information of the related party concerned confidential, and shall not use the related party information for activities other than the related party transaction management in violation of the regulations.

Article 46 The Bank shall improve the informatization and intelligence in the management of related parties and related party transactions, and strengthen the ability of big data management.

Section III Types of Related Party Transactions

Article 47 According to the relevant provisions of the Measures for the Administration of the Related Party Transactions of Banking and Insurance Institutions, related party transactions include the following types:

- (I) Related party transactions regarding credit granting: refer to that the Bank provides financial support to related parties or guarantees the compensation and payment liabilities that may arise from the related parties' relevant economic activities, including loans (including trade financing), notes acceptances and discounts, overdrafts, bond investments, investment in special purpose vehicles, issuance of letter of credit, factoring, guarantees, letters of guarantee, loan commitments, securities repurchase, lending and other on- and off-balance sheet business of which the credit risk is essentially borne by the Bank;
- (II) Related party transactions regarding transfer of assets: include purchase and sale of own movable and immovable properties, purchase and sale of credit assets and their beneficial right (income right) and acceptance and disposal of pledged assets between the Bank and related parties;
- (III) Related party transactions regarding services: include credit evaluation, asset evaluation, legal services, consulting services, information services, audit services, technology and infrastructure services, property lease and consignment sale or trustee sale, etc.;
- (IV) Related party transactions regarding deposits and other categories, and matters which may result in transfer of benefits of the Bank based on the principle of substance over form.

Article 48 The Bank's related party transactions are classified into material related party transactions and general related party transactions.

- (I) A material related party transaction shall refer to a transaction between the Bank and a single related party with an amount of more than 1% of the net capital of the Bank at the end of last quarter, or no less than 5% of the net capital of the Bank at the end of last quarter on an aggregated basis.

When the accumulated transaction amount between the Bank and a single related party reaches the standards in the preceding paragraph, the subsequent related party transactions shall be re-recognized as material related party transactions every time they reach more than 1% of the net capital at the end of last quarter.

- (II) General related party transactions shall refer to other related party transactions other than material related party transactions.

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PARTY TRANSACTIONS (THE REVISED DRAFT)**

Article 49 Related party transactions under the Hong Kong Listing Rules shall include the following:

- (I) Any transaction between the Bank and any of its related parties. “Transaction” shall refer to any transaction in the nature of capital and revenue, whether or not such transaction is conducted in the ordinary and usual course of business operation of the Bank, including, but not limited to:
- 1) Acquisition or disposal of assets, including deemed disposals;
 - 2) Granting, accepting, exercising, transferring or terminating or not exercising an option related to this Company or any of its related parties in order to acquire or dispose of assets or to subscribe for securities;
 - 3) Entering into or terminating finance leases or operating leases or sub-leases;
 - 4) Granting an indemnity or providing or receiving financial assistance. Financial assistance includes granting credit, borrowings, or providing an indemnity, guarantee or security for a loan;
 - 5) Issuing new securities of the Bank or its subsidiaries, including underwriting or sub-underwriting an issue of securities;
 - 6) Providing or receiving services;
 - 7) Sharing services;
 - 8) Acquiring or providing raw materials, intermediate products and finished goods; and
 - 9) Forming or entering into any arrangement involving the formation of an equity or joint venture company with a related party.
- (II) The Bank enters into a transaction with a third party, including:
- 1) The Bank provides financial assistance to a commonly held entity or receives financial assistance from a commonly held entity;

Note: “Commonly held entity” shall refer to a company whose shareholders include any related party(ies) of the Bank, its subsidiaries or at the Bank level (who, individually or together, can exercise or control the exercise of 10% or more of the voting power at the Bank’s general meeting. This 10% excludes any indirect interest held by the person(s) through the Bank).

APPENDIX II THE ADMINISTRATIVE MEASURES FOR THE RELATED PARTY TRANSACTIONS (THE REVISED DRAFT)

- 2) A transaction in which the Bank acquires from any third party any shares in the targeted company, and a substantial shareholder (which shall refer to any shareholders holding or controlling more than 10% or more of the voting power thereof) of the targeted company is, or is proposed to be, a controller of the Bank or an associate of a controller of the Bank, unless certain exemptions apply;

Note: “Controller” shall refer to any director, chief executive or controlling shareholder (which shall refer to a shareholder holding or controlling 30% or more of the voting power thereof) of the Company.

- 3) Any transaction between the Bank and any of its related subsidiaries. The definition of “related subsidiary” is set out in Appendix II.

Article 50 Related party transactions as defined in the Hong Kong Listing Rules include one-off related party transactions and continuing related party transactions. Continuing related party transactions refer to related party transactions that are expected to continue or be carried out frequently within a certain period of time and involve the provision of financial assistance, services or goods. Continuing related party transactions are usually transactions in the ordinary course of business.

Article 51 Related party transactions as defined in the Hong Kong Listing Rules can be classified into:

- (I) Related party transactions that are exempted from the reporting, announcement and independent shareholders’ approval requirements (hereinafter referred to as “fully exempted related party transactions”);
- (II) Related party transactions that are exempted from the independent shareholders’ approval requirements, but are subject to reporting, annual review and announcement requirements (hereinafter referred to as “partially exempted related party transactions”);
- (III) Continuing related party transactions that are exempted from reporting, annual review, announcement and independent shareholders’ approval requirements (hereinafter referred to as “fully exempted continuing related party transactions”);
- (IV) Continuing related party transactions that are exempted from independent shareholders’ approval requirements, but are subject to reporting, annual review and announcement requirements (hereinafter referred to as “partially exempted continuing related party transactions”);
- (V) Related party transactions that do not fall within the above items (1) and (2) (hereinafter referred to as “non-exempted related party transactions”); and continuing related party transactions that do not fall within the above items (3) and (4) (hereinafter referred to as “non-exempted continuing related party transactions”).

Article 52 According to the Accounting Standards for Business Enterprises, related party transactions usually include the following types: purchase or sales of goods; purchase or sales of other assets other than goods; provision or receipt of labour services; guarantees; provision of funds (loans or share capital investments); leases; agency; transfer of research and development projects; license agreements; debt settlement on behalf of enterprises or by enterprises on behalf of other parties; remuneration of key management personnel.

Section IV Pricing of Related Party Transactions and Management of Related Party Transactions

Article 53 The business departments and branches of the Head Office shall conduct pricing management of related party transactions in strict accordance with the relevant requirements, and carry out the business related to related party transactions in accordance with commercial principles and on terms no better than those for similar transactions with non-related parties. When necessary, the Risk Committee of the Board of Directors may engage an independent third party, such as a financial advisor, to issue a report as a basis for judgment.

Article 54 The Bank shall improve the internal control mechanism of related party transactions, optimize the management process for related party transactions, and ensure that the review opinions of key links, as well as the resolutions and records of the Risk Committee of the Board of Directors and other meetings, are clear and accessible.

Each business department and branch of the Head Office shall, in accordance with the management requirements of the Head Office on related party transactions, perform the review, approval, filing and reporting procedures of their own departments or business lines on related party transactions, and ensure that the review opinions, meeting minutes and records of key links are clear and accessible.

Article 55 General related party transaction shall be reviewed in accordance with the Bank's internal management system and authorization procedures, and shall be reported by the department involving business transaction to the Internal Control and Compliance Department for filing, and the Internal Control and Compliance Department shall report the filing to the Risk Committee of the Board of Directors on a quarterly basis. The business department shall submit the related party transaction proposal for material related party transaction, which shall be submitted to the Risk Committee of the Board of Directors for review and to the Board of Directors for approval after confirmation procedures by the business review and approval department and the leading department of related party transaction management. Any resolution of a meeting of the Board of Directors shall be subject to the approval by more than two-thirds of the non-related directors. Where fewer than three non-related directors attend such a meeting, the transaction shall be submitted to the shareholders' general meeting for review.

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Article 56 In case of the shareholders' general meeting where the Board of Directors or the Risk Committee of the Board of Directors votes or makes decisions on any related party transaction, the person related to such related party transaction shall abstain from voting.

Where the Bank is unable to convene the shareholders' general meeting due to avoiding principle, the Board of Directors shall be responsible for deliberation and it shall not be applicable to provisions on avoiding in the first paragraph hereof. However, the related directors shall issue a statement for non-existence of tunneling.

Article 57 The independent directors of the Bank shall issue written opinions on the fairness and compliance of the material related party transactions one by one and the performance of the internal examination and approval procedure. Where the independent director deems it necessary, he may engage intermediaries and other independent third parties to provide opinions at the expense of the Bank.

Article 58 The methods for calculating the amount of related party transaction are as follows:

- (I) The amount of a credit related party transaction shall be calculated based on the amount specified in the signed agreement in principal;
- (II) The amount of a related party transaction for asset transfer shall be calculated based on the transaction price or fair value;
- (III) The amount of a service related party transaction shall be calculated based on the amount of business income or expenditure;
- (IV) Other calculation standards determined by the National Administration of Financial Regulation.

Article 59 The Bank shall identify, determine, manage related party transaction and calculate the amount of related party transaction in accordance with the principle of substance over form and penetration.

When calculating the balance of the related party transactions between a related natural person and the Bank, the related party transactions between his/her spouse, parents, adult children, brothers and sisters and the Bank shall be calculated on a consolidated basis. When calculating the balance of the related party transactions between a related legal person or unincorporated organization and the Bank, the related party transactions between a legal person or an unincorporated organization that has a controlling relationship with such related party and the Bank shall be calculated on a consolidated basis.

Article 60 The Bank shall enter into written agreements for related party transactions, or in the absence of such agreements, it may provide uniquely identifiable transaction numbers, running numbers or internal numbers.

Article 61 The Bank may enter into a unified transaction agreement for the provision of services and other related party transactions recognized by the National Administration of Financial Regulation that occur continuously over a long period of time between the Bank and the same related party and that require the repeated signing of a transaction agreement, with the term of the agreement generally not exceeding three years.

Article 62 The signing, renewal and substantive change of the unified transaction agreement shall be subject to internal review, report and information disclosure according to material related party transaction. Related party transaction occurred under the unified transaction agreement need not be reviewed, reported and disclosed on a case-by-case basis, but the implementation should be explained in the quarterly report. The unified transaction agreement shall specify or estimate the amount of related party transaction.

Article 63 The Bank shall proactively identify related party transactions through penetration, dynamically monitor the sources and flows of funds for the transactions, promptly grasp the status of the underlying assets, dynamically assess the degree of impact on risk exposure and capital appropriation, establish an effective risk control mechanism for related party transactions, and promptly adjust its operating behavior to comply with the relevant provisions of these Measures.

Article 64 The Bank implements categorization management of credit related party transactions in accordance with regulatory rules, and performs the corresponding review and disclosure procedures for related parties under different regulatory rules in accordance with the regulatory rules they should follow.

- (I) The business department shall identify credit related party transactions with the Bank's related parties in a timely and accurate manner and submit them to the credit approval department of the Head Office and other institutions with credit approval authority for review and approval in accordance with the Bank's credit management requirements.
- (II) The credit review and approval institution is responsible for reviewing credit related party transactions. During the review, attention should be paid to whether credit related party transactions are in line with the general commercial principles and are carried out on terms no better than those for similar transactions with non-related parties, etc., to ensure that the business is in line with the Bank's conditions for approval of credit and the requirements of the Bank's management of related party transactions, and to carry out the approval of credit limit, and to promptly remind and supervise the business department to carry out the procedures for filing or consideration and approval of the related party transactions in accordance with the Bank's requirements.

Limit approval is the process in which the credit review and approval authority of a related party transaction approves the balance of transactions accounted for by credit related party transactions. The credit approval department of the Head Office is responsible for approving the line of credit related party transactions.

- (III) In case of any material related party transaction and other related party transaction that should be approved by the Board of Directors or the shareholders' general meeting, each business department shall submit a material related party transaction proposal to the Risk Committee of the Board of Directors, the Board of Directors and the shareholders' general meeting (if necessary) for review in accordance with the Bank's internal management system and authorization procedures, after confirmation by the leading department of related party transaction management.

Article 65 The related party transactions for asset transfer, service, deposit and other with the Bank's related parties (hereinafter referred to as "non-credit related party transactions") shall be classified and managed in accordance with the regulatory rules, and the related parties under different regulatory rules shall be subject to the corresponding review and disclosure procedures in accordance with the regulatory rules that they should follow.

- (I) The business department shall identify non-credit related party transactions with the Bank's related parties in a timely and accurate manner and submit them for review and approval in accordance with the Bank's relevant regulatory requirements and authorization procedures.
- (II) The credit review and approval institution is responsible for reviewing non-credit related party transactions. During the review, attention should be paid to whether non-credit related party transactions are in line with the general commercial principles, and whether the pricing is fair and conducted on terms no better than those for similar transactions with non-related parties, among other things. Where necessary, application may be made to the Risk Management and Related Party Transactions Control Committee to engage an independent third party, such as a financial advisor, to issue a report as a basis for judgment. The review and approval institution shall promptly remind and supervise the business department to fulfill the filing or consideration and approval procedures of related party transactions in accordance with the Bank's requirements.
- (III) In case of any material related party transaction and other related party transaction that should be approved by the Board of Directors or the shareholders' general meeting, each business department shall submit a material related party transaction proposal to the Risk Management and Related Party Transactions Control Committee, the Board of Directors and the shareholders' general meeting (if necessary) for review in accordance with the Bank's internal management system and authorization procedures, after review by the examination and approval department.

Article 66 Related party transaction management identified by the Hong Kong Stock Exchange

- (I) Fully exempted related party transactions and fully exempted continuing related party transactions are submitted to the Bank for approval in accordance with the Bank's internal authorization procedures, submitted to the Business Review and Approval Department for review and confirmed by the leading department of related party transaction management, and then submitted to the Risk Management and Related Party Transactions Control Committee for filing.
- (II) Partially exempted related party transactions and partially exempted continuing related party transactions shall be submitted to the Board of Directors for approval in accordance with the procedures for the consideration of material related party transactions under these Measures, and shall be subject to reporting, annual review (if applicable) and announcement procedures in accordance with the Hong Kong Listing Rules.
- (III) Non-exempt related party transactions and non-exempt continuing related party transactions are required to be submitted to the shareholders' general meeting for approval after the submission to the Board of Directors for approval. Before submission to the general meeting for approval, the independent directors shall advise the shareholders as to whether the terms of the relevant transaction or arrangement are fair and reasonable, whether they are on normal commercial terms or on better terms in the ordinary and usual course of business of the Bank, whether the relevant transaction or arrangement is in the interests of the Bank and the shareholders of the Bank as a whole, and how to vote in respect of the relevant transaction or arrangement. The independent financial adviser appointed by the Bank, which is acceptable to the Hong Kong Stock Exchange, will make recommendations to the independent directors and the shareholders as to whether the terms of the relevant transaction or arrangement are fair and reasonable, whether it is on normal commercial terms or on better terms in the ordinary and usual course of business of the Bank and whether it is in the interests of the Bank and the shareholders of the Bank as a whole and will advise the shareholders as to how to vote. The Bank will comply with the reporting and announcement, shareholders' circular, independent shareholders' approval and other relevant procedures in accordance with the Hong Kong Listing Rules.
- (IV) Pursuant to the Hong Kong Listing Rules, the Bank is required to enter into an annual cap on continuing related party transactions, which should be expressed in currency and determined with reference to the Bank's past transactions and data, or based on reasonable assumptions if the Bank has not entered into such transactions in the past; and the annual cap should be submitted to the shareholders' general meeting for approval (if necessary). In actual implementation, if it is expected that the annual cap will be exceeded or the terms of the agreement will be substantially revised, the Bank is required to re-comply with the announcement and the approval procedures of the shareholders' general meeting (if necessary) in advance.

Section V Management Procedures for Related Party Transactions of Subsidiaries

Article 67 The Bank's holding subsidiaries shall, based on the list of related parties of the Head Office, take the initiative to identify the related party transaction matters with the related parties of the Head Office in the course of business, and promptly report to the cross-departmental related party transaction office for filing, and the cross-departmental related party transaction office, after receiving the filing of the subsidiaries, shall promptly report to the Risk Management and Related Party Transactions Control Committee under the Board of Directors for filing.

Article 68 Each subsidiary shall, in light of its own situation, put forward system construction and optimization requirements, gradually realize the docking and information interaction between the business or management system and the related party transaction management system, so as to realize the automatic statistics and reporting of related party transaction data and other functions, enhance the level of automation of management and accuracy of information, and properly keep the text of the related party transaction contract and relevant information of the department to ensure the compliance of related party transactions.

Section VI Prohibition on Related Party Transactions

Article 69 The Bank's related party shall not evade the internal review and external supervision of related party transactions and the obligation to report and disclose related party transactions by concealing the related party relationship and other improper means.

Article 70 The Bank shall not evade the approval or supervision requirements for material related party transactions by covering up related party relationships, splitting transactions, and other concealed ways.

The Bank shall not use various nested transactions to lengthen the financing chain, obscure the essence of business or evade regulatory regulations, nor shall it illegally raise funds, transfer assets, make idle arbitrage, conceal risks, etc. for shareholders and their related parties.

Article 71 The Bank shall not directly provide funds to related parties through interbank, wealth management, off balance sheet and other businesses, breaking the proportion limit or violating regulations.

The Bank shall not extend credit to a related party on terms that are superior to those offered to other similar non-related party customers.

The Bank shall not accept shares in the Bank as the collaterals for loans.

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The Bank shall not provide guarantee for financing activities of related parties (including contingencies equivalent to guarantees), except in the case where related parties provide full counter-guarantee with certificates of deposit or government bonds.

If the provision of credit extension by the Bank to related parties results in any loss, the Bank shall not provide such related party with any further credit extension within two years from the date of discovery of the loss, except for credit extension as approved by the Board of the Bank for the purpose of reducing any losses which have arisen from the earlier credit extension.

Article 72 The credit balance granted to a related party by the Bank shall not exceed 10% of the Bank's net capital at the end of the last quarter, the aggregate credit balance granted to a related corporate or unincorporated organisation by the Bank shall not exceed 15% of the Bank's net capital at the end of the last quarter, and the credit balance granted to all related parties by the Bank shall not exceed 50% of the Bank's net capital at the end of the last quarter.

When calculating the balance of credit extension, the amount of cash deposits and pledged bank certificates of deposit and government bonds provided by the related party when the credit extension is granted may be deducted.

The Bank shall comply with relevant regulations on inter-bank business when carrying out inter-bank business with related parties. The inter-bank business carried out between the Bank and domestic and overseas related party banks may not be subject to the proportions listed in Paragraph 1 of this Article and the Standards for Material Related Party Transactions under these Measures.

Article 73 The Bank shall not engage any accounting firm, professional evaluation institution or law firm under the control of a related party to provide audit, evaluation and other services to the Bank.

Article 74 Shareholders or their controlling shareholders, de facto controllers, directors and senior management who have violated the above provisions in related party transactions shall be penalized in accordance with the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions and other relevant regulations; other internal staff shall be penalized in accordance with the Bank's relevant rules and regulations.

**Section VII Reporting and Disclosure of Related Party Transactions Recognized by the
National Administration of Financial Regulation**

Article 75 The Bank and the Bank's related parties shall, in accordance with the National Administration of Financial Regulation and the relevant provisions of these Measures, report and disclose information on related party transactions in a truthful, accurate, complete and timely manner, without any false record, misleading statement or material omission.

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Article 76 The Bank shall report to the National Administration of Financial Regulation or its dispatched agencies on a transaction-by-transaction basis within 15 business days after signing the following transaction agreements:

- (i) Significant related party transactions;
- (ii) The signing, renewal or material change of a unified transaction agreement;
- (iii) Other transactions required to be reported by the National Administration of Financial Regulation.

Article 77 The Bank shall, in accordance with the relevant provisions of the National Administration of Financial Regulation, compile quarterly statistics on the amount and proportion of all related party transactions, and report the relevant information on related party transactions to the National Administration of Financial Regulation or its dispatched agencies through the information system related to related party transactions supervision within 30 days after the end of each quarter.

Article 78 The Board of Directors of the Bank shall make a special report on the overall situation of related party transactions at the shareholders' meeting every year and submit it to the National Administration of Financial Regulation or its dispatched agencies.

Article 79 The Bank shall disclose information on related party transactions on the Company's website and disclose the overall situation of related party transactions for the year in the Company's annual report. Related party transactions that are required to be reported on a transaction-by-transaction basis in accordance with the provisions of these Measures shall be disclosed on a transaction-by-transaction basis within 15 working days after the signing of the transaction agreement, and general related party transactions shall be disclosed on a consolidated basis by type of transaction within 30 days after the end of each quarter.

The content of disclosure on a transaction-by-transaction basis includes:

- (i) Overview of the related party transaction and the subject matter of the transaction.
- (ii) Information on the counterparty, including the basic information of the connected natural person, the name, economic nature or type, main business or business scope, legal representative, place of registration, registered capital and its changes of the connected legal person or unincorporated organization, and the existence of the connected relationship with the Bank.
- (iii) Pricing policy.
- (iv) Amount of related party transactions and the corresponding ratio.

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- (v) Resolutions of the shareholders' meeting and the Board of Directors, and opinions or resolutions of the Risk Management and Related Party Transactions Control Committee.
- (vi) Opinions expressed by independent directors.
- (vii) Other matters deemed necessary to be disclosed by the National Administration of Financial Regulation.

The consolidated disclosure shall include the types of related party transactions, transaction amounts and the implementation of the corresponding regulatory ratios.

Article 80 The following related party transactions conducted by the Bank shall be exempted from consideration and disclosure in accordance with the manner of related party transactions:

- (i) Related party transactions with connected natural persons with a single transaction amount of less than RMB500,000 or with connected legal persons with a single transaction amount of less than RMB5 million, and the cumulative amount after the transaction does not meet the criteria for significant related party transactions;
- (ii) Subscription in cash by one party of shares, corporate bonds or enterprise bonds, convertible bonds or other derivatives publicly issued by the other party;
- (iii) Demand deposit business;
- (iv) Transactions between the legal person and the Bank, where such natural person serving as an independent director of a banking and insurance institution and another legal person at the same time and without other circumstances constituting a related party;
- (v) The pricing of the transactions is regulated by the State;
- (vi) Other circumstances recognized by the National Administration of Financial Regulation.

Article 81 Each of the relevant departments and branches shall cooperate with the leading department for the management of related party transactions to complete the disclosure of information, data statistics and reporting of related party transactions, and shall be responsible for the truthfulness, completeness, accuracy and timeliness of the data and materials disclosed and reported on the related party transactions of their own institutions, departments or lines.

Article 82 Each of the business departments and each branches shall, taking into account the business development and management situation, put forward system construction and optimization requirements, realize the docking and information interaction between the business or management system and the related party transactions management system, so as to realize the automatic statistical reporting of related party transactions data and other functions, enhance the level of automation of management and accuracy of information, and properly keep the text of the institution's related party transactions contracts and related information, so as to ensure that the related party transactions are carried out in a compliant manner.

Article 83 If the information on the Bank's related party transaction involves state secrets, commercial secrets or other circumstances recognized by the National Administration of Financial Regulation, the Bank may apply to the National Administration of Financial Regulation for exemption from disclosure or fulfillment of relevant obligations.

Section VIII Reporting and Disclosure of Related Party Transactions Recognized by the Stock Exchange

Article 84 According to the Hong Kong Listing Rules, related party transactions are categorized into related party transactions fully exempted from disclosure, related party transactions partially exempted from disclosure and related party transactions not exempted from disclosure:

- (i) Related party transactions fully exempted from disclosure refer to related party transactions that are permitted to be exempt from the compliance with all provisions under the Hong Kong Listing Rules regarding the reporting, announcement and independent shareholder's approval. Such related party transactions shall be conducted on normal commercial terms and in compliance with the requirements for de minimis disclosure exemption, which shall mean that all the applicable size test percentage ratios (other than profit ratio) are: (1) less than 0.1% (or, 1%, if the other party to the transaction is a subsidiary bank or a related party at the subsidiary level of the Company); or (2) less than 5% and the total consideration is less than HKD3 million.
- (ii) Related party transactions partially exempted from disclosure are related party transactions that are subject to the relevant provisions under the Hong Kong Listing Rules regarding the reporting and announcement. Such related party transactions shall be conducted on normal commercial terms and in compliance with the test ratio requirements, which shall mean that all the applicable size test percentage ratios (other than profit ratio) are (1) less than 5%; or (2) less than 25% and the total consideration is less than HKD10 million.

- (iii) Related party transactions not exempted from disclosure are related party transactions that are subject to the relevant provisions under the Hong Kong Listing Rules regarding the reporting, announcement and independent shareholders' approval. If any of the applicable size test percentage ratios (other than profit ratio) is above 5%, the relevant related party transactions are related party transactions not exempted from disclosure.

Article 85 The Bank shall disclose in its annual report and accounts following related party transactions the related party transactions situation submitted to the Board of Directors and/or the shareholders' meeting for approval during the reporting period, including in particular the date of the transaction, a description of the parties to the transaction and their connected relationship with each other, a brief description of the transaction and its purpose, the total consideration and its terms (including, where applicable, the interest rate, the repayment period and the collateral) as well as the nature and extent of the related party's interest in the transaction. The independent directors and accountants are also required to confirm and explain in the annual report, if necessary, in accordance with the Hong Kong Listing Rules, the continuing related party transactions in respect of the previous year's transactions.

If the Bank discloses in the annual report the information on any related party transaction under the accounting standards adopted in the preparation of the financial statements, the Bank must specify whether the transaction is a related party transaction and whether it has complied with the requirements for related party transactions. The Bank shall strictly implement the regulatory requirements on the disclosure of information on related party transactions, disclose in a complete and truthful manner matters relating to related parties and related party transactions within the prescribed timeframe, and proactively accept the supervision of the public.

Chapter IV Inspection and Supervision

Article 86 Departments and branches that have the obligation to report related party transactions under the provisions of these Measures shall report the relevant related party transaction data and supporting information in a timely, accurate and complete manner in accordance with the requirements of the regulatory report, and if any loss is caused to the Bank due to its false reporting or material omission, the relevant institutions and personnel shall be held accountable and dealt with in accordance with the relevant methods such as the treatment of employee violations.

Article 87 The Internal Audit Department of the Bank shall conduct special audits of related party transactions at least once a year and report the audit results to the Board of Directors and the Board of Supervisors.

Article 88 The relevant business management departments, internal control and compliance department and other departments of the Head Office of the Bank are responsible for inspecting and supervising the management of related party transactions throughout the Bank on a regular or irregular basis in accordance with their respective duties. Each department is required to strengthen source management, carry out data quality spot checks at least once every six months, continuously improve data quality, ensure the truthfulness, accuracy, completeness and timeliness of the data on related party transactions, and carry out comprehensive self-inspection and rectification of the reported data in the supervisory information system on related party transactions at least once a year to ensure that the data on stock is true, accurate and complete.

Article 89 In the event of a significant risk matter relating to related party transactions, the Head Office department or branch office that is aware of the situation shall promptly report the matter to the Risk Management and Related Party Transactions Control Committee of the Board of Directors through the line department of the Head Office and with the assistance of the Internal Control and Compliance Department.

Article 90 Each of the departments and branches of the Head Office shall be responsible for the implementation of the inspection and rectification of related party transactions and other specific work. The leading department for the management of related party transactions shall supervise the rectification.

Article 91 The Bank shall comply with the Hong Kong Listing Rules and, in respect of partially-exempt continuing related party transactions and non-exempt continuing related party transactions, the auditor shall write to the Board of Directors of the Bank annually (with a copy of the letter to be forwarded to the Hong Kong Stock Exchange at least 10 business days before the printing of the Bank's annual report) confirming the following matters:

- (i) Such transactions have been approved by the Board of Directors of the Bank;
- (ii) Where the supply of goods or services by the Bank is involved, the transactions have followed the Bank's pricing policy;
- (iii) The transactions were carried out in accordance with the terms of the agreements governing the transactions;
- (iv) The transactions have not exceeded the caps disclosed in previous announcements or circulars.

Article 92 In case of failure to report related parties in accordance with the regulations and violation of the regulations in carrying out related party transactions, the Bank will be held accountable in accordance with the relevant regulations of the regulatory authorities and the Harbin Bank Employee Violation Handling and Accountability Management Measures; if such violations constitute a crime, they shall be investigated for criminal responsibility according to law.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

Article 93 These Measures will come into effect upon being approved at the general meeting.

Article 94 The Internal Control and Compliance Department of the Head Office is responsible for the interpretation and amendment of these Measures.

Article 95 These Measures shall come into force on the date of publication and the former Administrative Measures for the Related Party Transactions of Harbin Bank Co., Ltd. (《哈爾濱銀行股份有限公司關聯交易管理辦法》) and the Implementation Rules for the Administration of the Related Party Transactions of Harbin Bank Co., Ltd.(《哈爾濱銀行股份有限公司關聯交易管理實施細則》) shall be repealed at the same time.

Article 96 These Measures is a one-tier system.

- Annex:
1. Definition and Scope of Related Parties by the National Administration of Financial Regulation
 2. Definition and Scope of Related Parties under the Hong Kong Listing Rules
 3. Definition and Scope of Related Parties under the Accounting Standards for Business Enterprises
 4. Flowcharts

Annex 1:**Definition and Scope of Related Parties by the National Administration of
Financial Regulation****Related Parties as Defined in the Administrative Measures on Related Party
Transactions of Banks and Insurance Institutions**

- I. The related natural persons of the Bank include:
- (1) The natural person controlling shareholders and actual controllers of the Bank, and their persons acting in concert and ultimate beneficiaries;
 - (2) A natural person who holds or controls more than 5% of the shares of the Bank, or holds less than 5% of the shares of the Bank, but has significant influence on the operation and management of the Bank;
 - (3) Directors and supervisors of the Bank, the senior executives of the Head Office and important branches of the Bank, and personnel who have the right to approve or make decisions on core businesses such as large-amount credit granting and asset transfer;
 - (4) Spouses, parents, adult children, siblings of the related parties listed in Items (1) to (3) of this Article;
 - (5) Directors, supervisors and senior executives of the related parties listed in Items (1) and (2) of Article 2 of this Annex.
- II. The related legal persons or unincorporated organizations of the Bank include:
- (1) The corporate controlling shareholders and actual controllers of the Bank, and their persons acting in concert and ultimate beneficiaries;
 - (2) A legal person or an unincorporated organization that holds or controls more than 5% of the shares of the Bank, or holds less than 5% of the shares of the Bank, but has significant influence on the operation and management of the Bank, and its controlling shareholders, actual controllers, persons acting in concert and ultimate beneficiaries;
 - (3) The legal persons or unincorporated organizations which are controlled by the related parties listed in Item (1) of this Article or on which such related parties can exert significant influence, and the legal persons or unincorporated organizations controlled by the related parties listed in Item (2) of this Article;

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- (4) The legal persons or unincorporated organizations which are controlled by the Bank or on which the Bank can exert significant influence;
 - (5) The legal persons or unincorporated organizations which are controlled by the related parties listed in Item (1) of Article 1 of this Annex or on which such related parties can exert significant influence, and the legal persons or unincorporated organizations controlled by the related parties listed in Items (2) to (4) of Article 1 of this Annex.
- III. The Bank may, in accordance with the principles of substance over form and penetration, determine the following natural persons, legal persons or unincorporated organizations as related parties:
- (1) A natural person, a legal person or an unincorporated organization that has one of the circumstances specified in Articles 1 and 2 of this Annex in the past 12 months or in the next 12 months according to the relevant agreement arrangement;
 - (2) Other close family members of the related parties listed in Items (1) to (3) of Article 1 of this Annex;
 - (3) Internal staff of the Bank and the legal persons or other organizations controlled by them;
 - (4) The legal persons or unincorporated organizations on which the related parties listed in Items (2) and (3) of Article 1 and Item (2) of Article 2 of these Measures can exert significant influence;
 - (5) A natural person, a legal person or an unincorporated organization that has influence on the Bank, has or may have an unfair transaction with the Bank which fails to comply with commercial principles and from which such natural person, legal person or unincorporated organization can obtain benefits.
- IV. The meanings of the following terms mentioned in these measures are explained as follows:

The term “above” as used herein includes such number and “below” does not include such number of these measures. The year should be the accounting year.

Control, including direct and indirect control, is the power to make financial and operating decisions about an enterprise and to derive benefits from its operations.

Holding, including direct and indirect holding.

Significant influence means having the power to participate in decision-making on the financial and operational policies of a legal person or organization, but not being able to control or jointly control with other parties the formulation of such policies. This includes, but is not limited to, the assignment of directors, supervisors or senior management personnel, influencing the financial and operational management decisions of the legal person or organization through agreements or other means, and other circumstances as determined by the National Administration of Financial Regulation or its dispatched agencies.

Joint control refers to the joint control over certain economic activities as agreed under a contract, which only exists by mutual consent of the investing parties when the right of control of significant financial and operating decisions relevant to such economic activities has to be shared.

Controlling shareholders are shareholders who hold more than 50% of the shares; or shareholders who hold less than 50% of the shares but have sufficient voting rights to exercise a controlling influence over the resolutions of the shareholders' (general) meeting.

A controlling subsidiary is one in which the shareholding in the subsidiary is 50% or more; or one in which the shareholding is less than 50% but over which a controlling influence can be exerted through arrangements such as voting rights or agreements. Controlling subsidiaries include subsidiaries or unincorporated organizations that are directly, indirectly or jointly controlled.

A de facto controller is a natural person or other person in ultimate control who is not a shareholder of the company, but is able to practically dominate the company's behavior through an investment relationship, agreement or other arrangement.

A group customer is a group of corporate customers or a single customer in the same industry in which a control relationship exists.

Persons acting in concert are natural persons, legal persons or unincorporated organizations that, through agreements, co-operation or other means, have adopted the same intention in exercising their voting rights or participating in other economic activities.

The ultimate beneficiary is the person who actually enjoys the proceeds of the equity of the bank or insurance institution or the proceeds of the financial products.

Other closely related family members mean, in addition to spouses, parents, adult children and siblings, including parents of spouses, spouses of children, spouses of siblings, siblings of spouses, as well as other family members that may generate a transfer of interests.

Internal staff refers to those who have signed labour contracts with the Bank.

Related relationships refer to the relationships between controlling shareholders, de facto controllers, directors, supervisors and senior management of a banking and insurance institution and the enterprises directly or indirectly controlled by them, as well as other relationships that may result in a transfer of interests.

Related director or related shareholder means a party to a transaction, or a director or shareholder who may affect the fairness of the transaction when considering a related party transaction.

Significant branch refers to all branches.

Personnel with approval or decision-making authority for core businesses such as large credit facilities and asset transfers refer to the department heads and key personnel at the Head Office level who have the authority to approve credit facilities and asset transfers, including department heads (including their deputies) and key position holders of the Head Office's credit facilities department (Retail Finance Department, Corporate Finance Department, Internet Finance Department, Inclusive Finance Department (Agriculture-benefiting Credit Department), Consumer Credit Department (Credit Card Centre), and Financial Markets Department, etc.), the Head Office's credit facilities approval department (Credit Approval Department), and the Head Office Asset Transfer Department (Finance and Accounting Department, etc.). The branch level refers to the senior management of the branch, as well as the persons in charge (including their deputies) and key positions of the branch departments involved in credit granting and asset transfer. Branch level refers to the head of a first-tier branch.

The above personnel do not include the full-time secretary of the Discipline Inspection Committee and the chairman of the labour union at each level.

The written form of the agreement includes contracts, letters and information telegrams (including telegrams, telexes, faxes, electronic data exchange and emails) and other legally recognized forms of tangible expression of the contents contained therein.

The related legal persons or unincorporated organizations referred to these Measures do not include state administrative organs, government departments, the Central Huijin Investment Ltd. (中央匯金投資有限責任公司), the National Council for Social Security Fund, Wutongshu Investment Platform Co., Ltd. (梧桐樹投資平台有限責任公司), Deposit Insurance and Fund Management Co., Ltd., and the related parties exempted from recognition as approved by the National Administration of Financial Regulation. Where the same natural person is appointed by the above organizations to serve as a director or supervisor of two or more banking and insurance institutions at the same time, and there is no other related relationship, the organizations in which he/she serves as a director or supervisor do not constitute related parties.

**APPENDIX II THE ADMINISTRATIVE MEASURES FOR THE RELATED
PARTY TRANSACTIONS (THE REVISED DRAFT)**

Enterprises controlled by the State are not related parties only because they are also controlled by the State.

Related parties as defined in the Interim Measures for the Equity Management of Commercial Banks.

The Bank shall strengthen the management of related party transactions, accurately identify related parties, strictly implement the system for reviewing and approving related party transactions and the information disclosure system, and promptly report related party transactions to the CBRC or its dispatched agencies.

The Bank shall manage its major shareholders and their controlling shareholders, de facto controllers, related parties, parties acting in concert and ultimate beneficiaries as its own related parties in accordance with the principle of penetration.

Annex 2:**Definition and Scope of Related Parties under the Hong Kong Listing Rules**

Note: In order to make the concept of related parties easy to understand, the following is a plain language compilation of the scope and definition of related parties. There may be discrepancies between the plain language and the scope of related parties under the Hong Kong Listing Rules, and the Hong Kong Listing Rules shall prevail.

Under the Hong Kong Listing Rules, “related parties” refer to connected natural person, related party legal persons and their associates of the Company.

- I. The Company’s connected natural person refers to:
- (I) Directors, supervisors and chief executive officer of the Company; Directors shall include Directors of the Company within twelve months prior to the transaction date;
 - (II) Directors, supervisors and chief executive officer of any significant subsidiaries of the Company (definition of non-significant subsidiary is set out under the section headed “definitions”); Directors shall include any person serves as a director of any subsidiary banks or subsidiaries twelve months prior to the transaction date;
 - (III) Substantial natural person shareholders of the Company; substantial natural person shareholders refer to natural person shareholders who own or control 10% or more of the voting power of the Company;
 - (IV) Substantial natural person shareholders of any significant subsidiaries of the Company (definition of non-significant subsidiary is set out under the paragraph headed “definitions”); Definition of substantial natural person shareholder is set out in paragraph above;
 - (V) Associates of the above connected natural person. Associate refers to:
 - (1) (a) His/her immediate family member (please refer to the definitions for specific scope of immediate family member); (b) trustee (refers to trustee of a trust in which such connected natural person or his/her immediate family member is beneficiary); or (c) any company and its subsidiary in which such connected natural person, his/her immediate family member or trustee individually or jointly hold 30% or more of voting power (including joint venture or associate);

- (2) (a) his/her family member (please refer to the definitions for specific scope of family member); or (b) any company and its subsidiary in which a family member individually or jointly, or his/her family member, such related natural person, his/her close family member or trustee individually or jointly hold more than 50% of voting power;
- (3) (a) his/her relative (please refer to the definitions for specific scope of relative); or (b) any company or its subsidiary in which his/her relative individually or jointly, or his/her relative, such connected natural person, his/her immediate family member, family member or trustee individually or jointly hold more than 50% of voting power.

II. The Company's connected legal person refers to:

- (I) Substantial legal person shareholders of the Company; substantial legal person shareholders refer to legal person shareholders who hold or control 10% or more of the voting power of the Company;
- (II) Substantial legal person shareholders of any significant subsidiary of the Company (definition of non-significant subsidiary is set out under the paragraph headed "definitions"); Definition of substantial legal person shareholder is set out in paragraph above;
- (III) Associates of the above connected legal person. Associate refers to:
 - (1) its subsidiaries, holding companies or subsidiaries of holding companies (collectively, the "Group Companies");
 - (2) trustee of a trust of which the company is a beneficiary;
 - (3) any company or its subsidiary in which such connected legal person, any member of its group company, and/or trustee individually or jointly hold 30% or more of voting power.

III. Connected subsidiary of the Company (definition of connected subsidiary is set out under the paragraph headed "definitions") or any of its subsidiaries.

IV. Definitions:

- (I) Immediate family member refers to the natural person's spouse, minor children (including natural or adopted) or stepchildren;
- (II) Family member refers to the person's cohabitants such as spouse, children (step), parents (step), brothers (step) and sisters (step) of the natural person;
- (III) Relatives refer to the parent of spouse, the spouse of children, grandparents, grandchildren, siblings of the parent, cousins, spouse of siblings, siblings of spouse and children of siblings;
- (IV) Connected subsidiary refers to the subsidiary of the Company and any subsidiary of such subsidiary in which the connected person at the Company's level can exercise or control the exercise of 10% or more of voting power;
- (V) A non-significant subsidiary refers to any subsidiary of the Company whose total assets, earnings and percentage of revenue (calculated in accordance with the requirements of the Hong Kong Listing Rules) are less than 10% for each of the latest three financial years or less than 5% for each of the latest financial year.
- (VI) Passive investor refers to an investor who is a substantial shareholder (exercise or control the exercise of 10% or more of voting power) but not a controlling shareholder of the Company or its subsidiary (exercise or control the exercise of 30% or more of voting power). In addition, such substantial shareholder is a sovereign fund or a unit trust or mutual fund with diversified investments, is not involved in the management of the Company and does not have any representative on the Board of Directors of the Company or its subsidiary, and is independent from the directors, chief executive, controlling shareholder and any other substantial shareholder of the Company or its subsidiary.

Annex 3:**Definition and Scope of Related Parties under the Accounting Standards
for Business Enterprises**

Related parties as defined in the Accounting Standards for Enterprises No. 36 – Related Party Disclosure:

- I. If a party has the power to control, jointly control or exercise significant influence over another party, or where two or more parties are subject to common control, joint control or significant influence from another party, they are considered to be related parties. Control is the right to determine an enterprise's financial and operating policies, and based on which to obtain benefits from business operations of such enterprise.

Joint control is the contractually agreed sharing of control of an economic arrangement, which exists only when significant financial and operational decisions about the relevant economic activities require unanimous consent of the parties sharing control.

Significant influence is the power to participate in the financial and operating policy decisions of an enterprise, except to control or jointly control the formulation of such policies together with other parties.

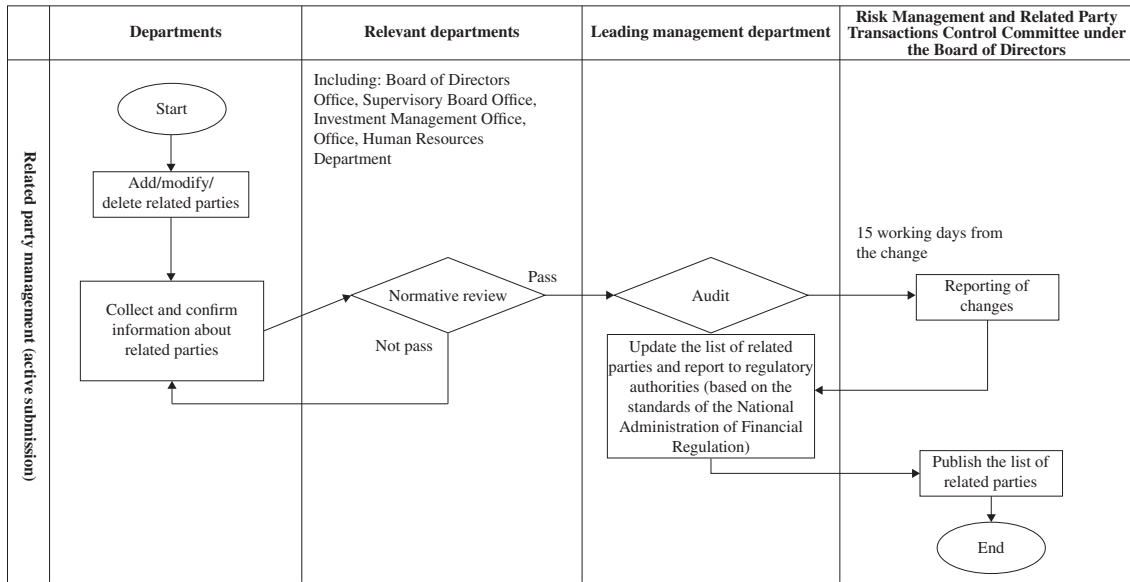
- II. A party is considered to be a related party of an enterprise if the party is:
- (i) a parent of the enterprise.
 - (ii) a subsidiary of the enterprise.
 - (iii) other enterprise which is under control of the same parent.
 - (iv) an investor which jointly controls the enterprise.
 - (v) an investor which exercises significant influence over the enterprise.
 - (vi) a joint venture of the enterprise.
 - (vii) an associated company of the enterprise.
 - (viii) a key individual investor of the enterprise and the close members of the family of the individual. The reference of a key individual investor means an individual who has the ability to control or jointly control or exercise significant influence over an enterprise.

- (ix) a member of the key management personnel of the enterprise or of a parent of the enterprise and the close members of the family of the person. The reference of the key management personnel means those persons having authority and responsibility in planning, directing and controlling the activities of the enterprise. Close members of the family of a key individual investor or a member of the key management personnel are those family members who may be expected to influence, or be influenced by, that person in their dealings with the enterprise.
 - (x) such other enterprise which is controlled, jointly controlled or significantly influenced by a key individual investor or a member of the key management personnel of the enterprise or their close family members.
- III. A party is not considered to be a related party of an enterprise if only the following relationship exists between them:
- (i) providers of finance, utilities and departments and agencies of a government, simply by virtue of their normal dealings with the enterprise.
 - (ii) a customer, supplier, franchisor, distributor or agent with whom the enterprise transacts a significant volume of business, simply by virtue of the resulting economic dependence.
 - (iii) a venturer which shares joint control over a jointly-controlled entity with the enterprise.
- IV. Enterprises which are under common control only from the State and have no other related party relationships are not regarded as related parties.

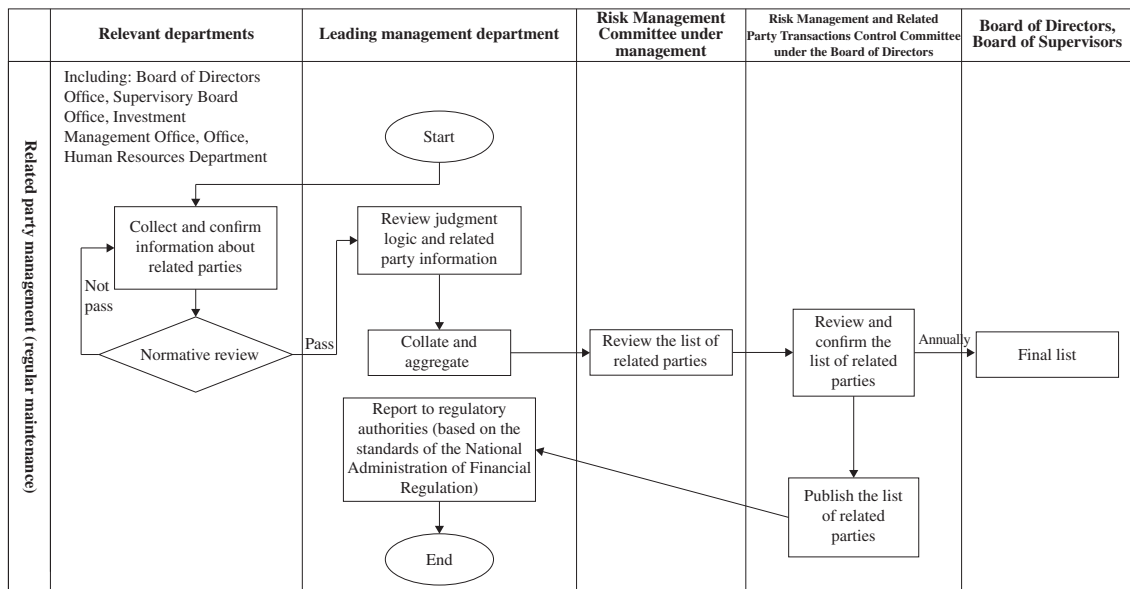
Annex 4:

Flowcharts

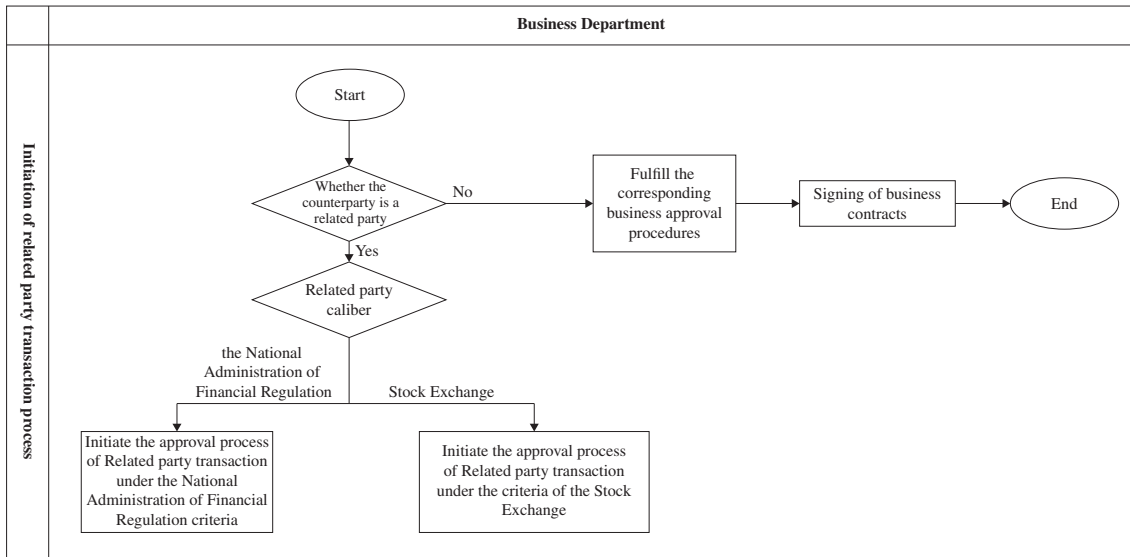
Process Design for Related Party Management



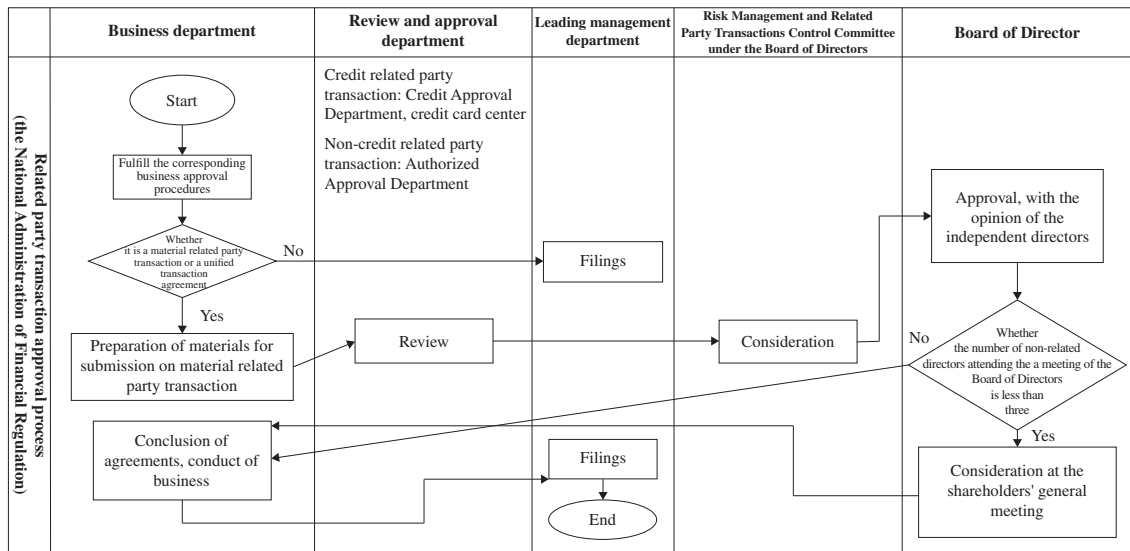
Process Design for Related Party Management



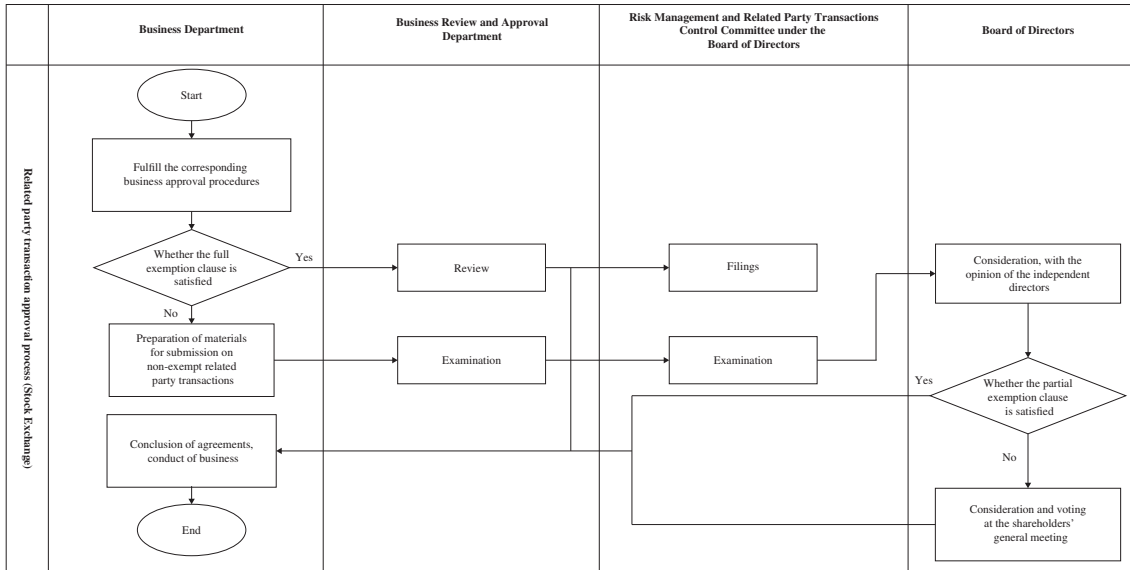
Process Design for Related Party Transactions Management



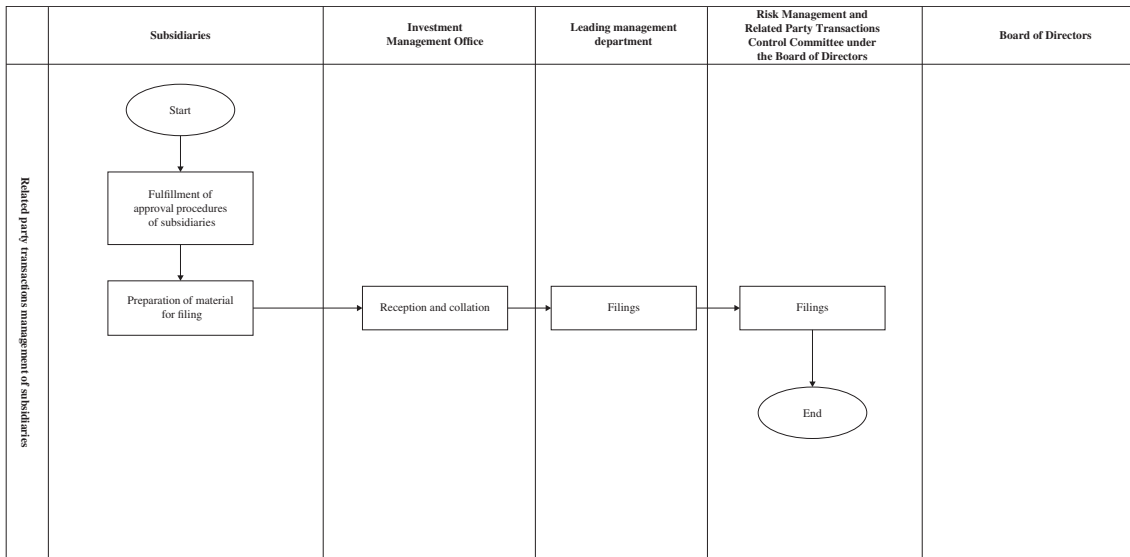
Process Design for Related Party Transactions Management



Process Design for Related Party Transactions Management

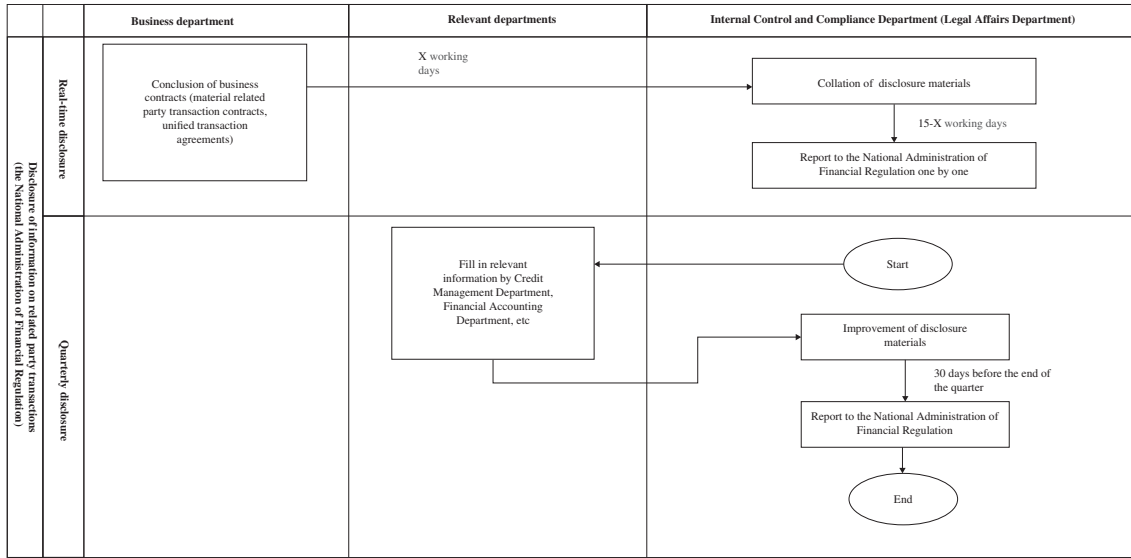


Process Design for Related Party Transactions Management of Subsidiaries

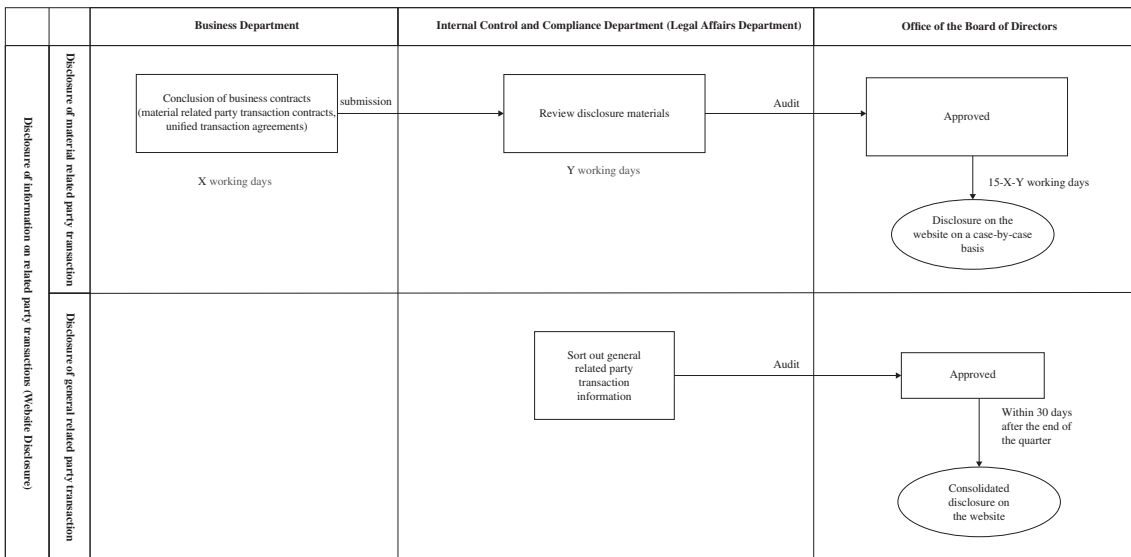


APPENDIX II THE ADMINISTRATIVE MEASURES FOR THE RELATED PARTY TRANSACTIONS (THE REVISED DRAFT)

Process Design for Related Party Transactions Management



Process Design for Related Party Transactions Management



NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING



(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6138)

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 first extraordinary general meeting (“EGM”) 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, Heilongjiang, China, on Monday, 28 August 2023 at 8:30 a.m. for the purposes of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the resolution on the proposed election of Ms. Chen Wei as a shareholder representative supervisor of the Bank.
2. To consider and approve the resolution on the proposed amendments to the Administrative Measures for the Related Party Transactions of Harbin Bank Co., Ltd.

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

Harbin, China, 8 August 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.*

NOTICE OF 2023 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

1. Details of the above resolutions are set out in the EGM circular which will be despatched by the Bank to the shareholders (the “Shareholders”) of the Bank dated 8 August 2023.

- 2. Closure of register of members**

In order to determine the Shareholders who are entitled to attend and vote at the EGM, the H share register of members of the Bank will be closed from Wednesday, 23 August 2023 to Monday, 28 August 2023 (both days inclusive), during which period no share transfer will be registered. Any Shareholders whose names appear on the H share register of members or domestic share register of members of the Bank on Wednesday, 23 August 2023 will be entitled to attend and vote at the EGM. The H Shareholders of the Bank who intend to attend and vote at the EGM 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 Tuesday, 22 August 2023.

- 3. Registration procedures for attending the EGM**

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 EGM 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 of the Bank) or the Bank’s Board of Directors’ Office (for domestic Shareholders of the Bank).

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 of the Bank) or the Bank’s Board of Directors’ Office (for domestic Shareholders of the Bank) not less than 24 hours before the designated time for the holding of the EGM 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 EGM 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. As such, resolutions 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 EGM.

- 6. Other business**

The EGM 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.