

---

## OUR RELATIONSHIPS WITH OUR SUBSTANTIAL SHAREHOLDER AND CONNECTED TRANSACTIONS

---

### OUR RELATIONSHIPS WITH OUR SUBSTANTIAL SHAREHOLDER

Harbin Economic Development is the only substantial shareholder of our Bank within the meaning of the Hong Kong Listing Rules that can exercise or direct the exercise of 10% or more of voting power in any of our shareholders' general meetings, and is expected to remain as the only substantial shareholder immediately following the completion of the H Share Listing. As of the Latest Practicable Date, Harbin Economic Development directly held approximately 29.48% of our shares. Immediately following the completion of the H Share Listing, Harbin Economic Development will directly hold approximately 19.65% of our then total issued shares, assuming the Over-allotment Option is not exercised (or approximately 18.58% if the Over-allotment Option is exercised in full).

Established on 22 August 1992, Harbin Economic Development is wholly owned by Harbin Municipal Finance Bureau, a functional division of Harbin Municipal Government that comprehensively manages municipal fiscal revenue and expenditure, implements financial supervision and participates in adjustment and control of the municipal economy of Harbin. The business scope of Harbin Economic Development is to make financial investments in areas like fixed-assets to municipally owned enterprises and to receive dividends in return. Besides holding 29.48% of the equity interest of our Bank and a minority interest in Harbin Junxin Investment & Assurance Co., Ltd., Harbin Economic Development does not have any other equity investment or hold equity interests in any other commercial banks.

### CONNECTED TRANSACTIONS

Pursuant to Chapter 14A of the Hong Kong Listing Rules, the transactions we have entered with our connected persons (as defined in the Hong Kong Listing Rules) will constitute connected transactions. Such transactions will continue following the Listing Date, thereby constituting continuing connected transactions under the Hong Kong Listing Rules.

#### **Exempt Continuing Connected Transactions**

We provide commercial banking services and products in the ordinary and usual course of our business to members of the public in China, which include our substantial shareholder, and certain of our Directors and Supervisors, the president and/or each of their respective associates. Each of the above persons is our connected person under Chapter 14A of the Hong Kong Listing Rules. These transactions are entered into on normal commercial terms in the ordinary and usual course of business and thus are exempt from the reporting, annual review, disclosure and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

#### ***Credit Facilities Granted by Us to Connected Persons in the Ordinary and Usual Course of Business***

We extend credit facilities to our customers in the ordinary and usual course of business and on normal commercial terms with reference to prevailing market rates. Customers who utilise the above credit facilities services may include certain of our connected persons. We expect to continue to provide the above products and services to our connected persons following the H Share Listing, which will constitute continuing connected transactions for us under Chapter 14A of the Hong Kong Listing Rules.

The credit facilities are granted by us to our connected persons by reference to prevailing market rates and on normal commercial terms that are comparable or no more favourable than those offered by us to independent third parties (including other comparable employees of ours who are not connected persons) in our ordinary and usual course of business. Therefore, these transactions will constitute

---

## **OUR RELATIONSHIPS WITH OUR SUBSTANTIAL SHAREHOLDER AND CONNECTED TRANSACTIONS**

---

exempt continuing connected transactions under Rule 14A.65(1) of the Hong Kong Listing Rules (namely, financial assistance provided by a listed issuer in its ordinary and usual course of business for the benefit of a connected person on normal commercial terms), and thus will be exempted from the reporting, announcement, and independent shareholders' approval requirements contained in Rules 14A.35 and 14A.45 to 14A.48 of the Hong Kong Listing Rules.

### ***Deposits Placed with Us by Connected Persons in the Ordinary and Usual Course of Business***

We take deposits in the ordinary and usual course of business at normal deposit rates and on normal commercial terms. Customers who place deposits with us may include certain of our connected persons. We expect that our connected persons will continue to place deposits with us following the H Share Listing, which will constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules.

The deposits placed by our connected persons are on normal commercial terms with reference to prevailing market rates. These deposits will be exempt continuing connected transactions under Rule 14A.65(4) of the Hong Kong Listing Rules (namely, financial assistance provided by connected persons in the form of deposits placed with a listed issuer for the benefit of the listed issuer on normal commercial terms (or commercial terms which are better for the listed issuer) where no security over the assets of the listed issuer is granted in respect of the financial assistance), and thus will be exempted from the reporting, announcement, and independent shareholders' approval requirements contained in Rules 14A.35 and 14A.45 to 14A.48 of the Hong Kong Listing Rules.

### ***Other Banking Services and Products Provided by us in the Ordinary and Usual Course of Business to Connected Persons***

We provide various banking services and products in the ordinary and usual course of business to certain of our connected persons on normal commercial terms and through normal charging standards, service charges and fees. We expect to continue to provide such services and products to our connected persons following the H Share Listing. These transactions will constitute continuing connected transactions for us under Chapter 14A of the Hong Kong Listing Rules.

These continuing connected transactions are provision of other banking services and products to our connected persons in the ordinary and usual course of business and on normal commercial terms that are comparable or no more favourable than those offered to independent third parties. Therefore, these transactions will constitute exempt continuing connected transactions pursuant to Rule 14A.33(3), and thus will be exempted from the reporting, announcement and independent shareholders' approval requirements of the Hong Kong Listing Rules.