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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 and reply slip 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.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Bank.

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**Harbin Bank Co., Ltd.**  
**哈爾濱銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6138)**

- (1) 2016 WORK REPORT OF THE BOARD OF DIRECTORS**
  - (2) 2016 WORK REPORT OF THE BOARD OF SUPERVISORS**
  - (3) 2016 FINAL ACCOUNT REPORT**
  - (4) 2017 FINANCIAL BUDGETS**
  - (5) 2016 PROFIT DISTRIBUTION PLAN**
  - (6) 2016 ANNUAL REPORT**
  - (7) PROPOSED APPOINTMENT OF AUDITORS FOR 2017**
  - (8) GENERAL MANDATE TO ISSUE ADDITIONAL H SHARES**
  - (9) PROPOSAL ON ISSUANCE OF NON-CAPITAL FINANCIAL BONDS**
  - (10) PROPOSAL ON THE EXTENSION OF THE VALIDITY PERIOD OF PROPOSAL ON THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES**
  - (11) PROPOSAL ON THE EXTENSION OF THE VALIDITY PERIOD OF THE AUTHORISATION TO THE BOARD TO HANDLE THE COMPANY'S APPLICATION FOR THE A SHARE OFFERING AND RELATED MATTERS**
  - (12) PROPOSAL ON THE EXTENSION OF THE VALIDITY PERIOD OF THE AUTHORISATION TO THE BOARD AND SPECIFIC PERSONNEL FURTHER AUTHORISED BY THE BOARD TO DRAFT AND FINALISE AN OPEN COMMITMENT LETTER**
  - (13) PROPOSAL ON THE FUTURE DIVIDEND RETURN PLAN OF HARBIN BANK CO., LTD. (DRAFT)**
- AND**
- NOTICE OF 2016 ANNUAL GENERAL MEETING**  
**NOTICE OF 2017 SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING**  
**NOTICE OF 2017 SECOND H SHAREHOLDERS' CLASS MEETING**

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The Bank will convene the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China on Friday, 19 May 2017, at 8:30 a.m., 9:30 a.m. or immediately after the conclusion of the AGM (whichever is the later), and 10 a.m. or immediately after the conclusion of the Domestic Shareholders' Class Meeting (whichever is the later), respectively. The notices of the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting are set out on pages 32 to 42 of this circular.

If you intend to appoint a proxy to attend the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable), you are required to complete and return the proxy forms in accordance with the instructions printed thereon as soon as possible. For H Shareholders, the proxy forms should be returned to Computershare Hong Kong Investor Services Limited (17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, Tel: 852-2862 8555), in any event served by hand, by post or by fax not less than 24 hours before the time stipulated for convening the AGM or the H Shareholders' Class Meeting. For Domestic Shareholders, the proxy forms should be returned to the Bank's Board of Directors' Office (No. 888 Shangjiang Street, Daoli District, Harbin 150070, Heilongjiang Province, China, Tel: 86-451-86779933), in any event served by hand, by post or by fax not less than 24 hours before the time stipulated for convening the AGM or the Domestic Shareholders' Class Meeting. Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable) if you so wish. If you intend to attend the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable) in person or by proxy, you are required to complete and return the reply slips to Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Bank's Board of Directors' Office (for Domestic Shareholders) on or before Friday, 28 April 2017.

\* *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

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

“A Share(s)”	ordinary shares that are proposed to be issued pursuant to the A Share Offering by the Bank, which will be listed on the Shanghai Stock Exchange and traded in RMB
“A Share Offering”	the Bank’s proposed initial public offering of not more than 3,666,000,000 A Shares which are to be listed on the Shanghai Stock Exchange
“AGM” or “Annual General Meeting” or “2016 AGM”	the 2016 annual general meeting or any adjourned meeting of the Bank to be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China on Friday, 19 May 2017 at 8:30 a.m.
“Articles of Association”	the articles of association of the Bank, as amended, revised or supplemented from time to time
“Bank” or “Company”	Harbin Bank Co., Ltd. (哈爾濱銀行股份有限公司), a joint stock company established in the PRC on 25 July 1997 with limited liability in accordance with the Company Law of the PRC (中華人民共和國公司法), and the H Shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 06138)
“Board” or “Board of Directors”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“CBRC”	China Banking Regulatory Commission
“Company Law” or “PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as enacted and adopted by the Standing Committee of the Eighth National People’s Congress on 29 December 1993 and effective on 1 July 1994, as the same may be amended, supplemented and otherwise modified from time to time
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Bank

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## DEFINITIONS

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“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“Domestic Shareholders’ Class Meeting”	the 2017 second class meeting of Domestic Shareholders or any adjourned meeting of the Bank to be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China on Friday, 19 May 2017 at 9:30 a.m. or immediately after the conclusion of the AGM (whichever is the later)
“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 Renminbi
“Group”	the Bank and its subsidiaries
“H Shareholder(s)”	holder(s) of H Shares
“H Shareholders’ Class Meeting”	the 2017 second class meeting of H Shareholders or any adjourned meeting of the Bank to be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China on Friday, 19 May 2017 at 10:00 a.m. or immediately after the conclusion of the Domestic Shareholders’ Class Meeting (whichever is the later)
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Bank, which are listed on the Hong Kong Stock Exchange (Stock Code: 06138) and traded in Hong Kong dollars
“HB Leasing”	Harbin Bank Financial Leasing Co., Ltd.
“HBCF”	Harbin Bank Consumer Finance Co., Ltd.
“HK\$” or “HK Dollars”	the lawful currency of Hong Kong
“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

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## DEFINITIONS

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“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this circular only, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	the lawful currency of the PRC
“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

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## LETTER FROM THE BOARD

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**Harbin Bank Co., Ltd.**  
**哈爾濱銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6138)**

**Members of the Board:**

*Executive Directors:*

Mr. Guo Zhiwen  
Mr. Liu Zhuo  
Mr. Zhang Qiguang

*Non-executive Directors:*

Mr. Zhang Taoxuan  
Mr. Chen Danyang  
Mr. Cui Luanyi  
Mr. Ma Pao-Lin  
Mr. Peng Xiaodong

*Independent Non-executive Directors:*

Mr. Zhang Shengping  
Mr. He Ping  
Mr. Du Qingchun  
Mr. Wan Kam To  
Mr. Kong Siu Chee

**Registered Address:**

No. 160 Shangzhi Street  
Daoli District  
Harbin  
Heilongjiang Province  
PRC

**Principal Place of Business in**

**Hong Kong:**

18/F, Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

30 March 2017

To the Shareholders,

### **1. INTRODUCTION**

The purpose of this circular is to provide you with the notices of the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting and to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable).

### **2. BUSINESS TO BE TRANSACTED AT THE AGM, THE DOMESTIC SHAREHOLDERS' CLASS MEETING AND THE H SHAREHOLDERS' CLASS MEETING**

The business to be transacted at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting is specified in the respective notice of the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting set out on pages

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## LETTER FROM THE BOARD

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32 to 42 of this circular. Resolutions to be proposed at the AGM by way of ordinary resolution include: (1) 2016 Work Report of the Board of Directors; (2) 2016 Work Report of the Board of Supervisors; (3) 2016 Final Account Report; (4) 2017 financial budgets; (5) 2016 profit distribution plan; (6) 2016 Annual Report; and (7) proposal on the appointment of auditors for 2017. Resolutions to be proposed at the AGM by way of special resolution include: (8) proposal on granting the Board a general mandate to issue additional H Shares; (9) proposal on issuance of non-capital financial bonds; (10) proposal on the extension of the validity period of the Proposal on the Initial Public Offering and Listing of A Shares; (11) proposal on the extension of the validity period of the authorisation to the Board to handle the company's application for the A Share Offering and related matters; (12) proposal on the extension of the validity period of the authorisation to the Board and specific personnel further authorised by the Board to draft and finalise an open commitment letter; and (13) The Proposal on the Future Dividend Return Plan of Harbin Bank Co., Ltd. (Draft). The above proposed resolutions numbered (10) to (12) are proposed at the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting by way of special resolutions, respectively.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, and to make informed decisions upon obtaining sufficient and necessary information, we have provided detailed information in relation to the proposed resolutions to be approved at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting in Appendix I to this circular.

In addition, the *2016 Appraisal of the Directors, Supervisors and senior management by the Board of Supervisors* will be presented to the Shareholders at the AGM.

### **3. THE AGM, THE DOMESTIC SHAREHOLDERS' CLASS MEETING AND THE H SHAREHOLDERS' CLASS MEETING**

The Bank will convene the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China on Friday, 19 May 2017, at 8:30 a.m., 9:30 a.m. or immediately after the conclusion of the AGM (whichever is the later), and 10 a.m. or immediately after the conclusion of the Domestic Shareholders' Class Meeting (whichever is the later), respectively. The notices of the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting are set out on pages 32 to 42 of this circular. The proxy forms and the reply slips for use at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting are also enclosed herewith.

If you intend to appoint a proxy to attend the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable), you are required to complete and return the proxy forms in accordance with the instructions printed thereon as soon as possible. For H Shareholders, the proxy forms should be returned to Computershare Hong Kong Investor Services Limited (17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, Tel: 852-2862 8555), in any event served by hand, by post or by fax not

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## LETTER FROM THE BOARD

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less than 24 hours before the time stipulated for convening the AGM or the H Shareholders' Class Meeting. For Domestic Shareholders, the proxy forms should be returned to the Bank's Board of Directors' Office (No. 888 Shangjiang Street, Daoli District, Harbin 150070, Heilongjiang Province, China, Tel: 86-451-86779933), in any event served by hand, by post or by fax not less than 24 hours before the time stipulated for convening the AGM or the Domestic Shareholders' Class Meeting. Completion and return of the proxy forms will not preclude you from attending and voting in person at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable) if you so wish.

If you intend to attend the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting (if applicable) in person or by proxy, you are required to complete and return the reply slips to Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Bank's Board of Directors' Office (for Domestic Shareholders) on or before Friday, 28 April 2017.

#### 4. VOTING BY POLL

According to the Hong Kong Listing Rules, any vote of shareholders at a general meeting, a domestic shareholders' class meeting and an H shareholders' class meeting must be taken by poll. Results of the poll voting will be published on the Bank's website at [www.hrbb.com.cn](http://www.hrbb.com.cn) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

#### 5. RECOMMENDATION

The Board of Directors considers that all resolutions to be proposed at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively are in the best interests of the Bank and its Shareholders as a whole. Accordingly, the Board of Directors recommends that the Shareholders vote in favour of all the aforesaid proposed resolutions.

By order of the Board of Directors  
**Harbin Bank Co., Ltd.**  
**Guo Zhiwen**  
*Chairman*



**1. 2016 WORK REPORT OF THE BOARD OF DIRECTORS**

On 29 March 2017, the *2016 Work Report of the Board of Directors* was considered and passed by the Board in accordance with the relevant regulatory provisions and the provisions of the Articles of Association, which is currently proposed to the AGM by way of ordinary resolution for consideration and approval.

Details of the Work Report of the Board of Directors are set out in Annex A to this circular.

**2. 2016 WORK REPORT OF THE BOARD OF SUPERVISORS**

On 28 March 2017, the *2016 Work Report of the Board of Supervisors* was considered and passed by the Board of Supervisors in accordance with the relevant regulatory provisions and the provisions of the Articles of Association, which is currently proposed to the AGM by way of ordinary resolution for consideration and approval.

Details of the Work Report of the Board of Supervisors are set out in Annex B to this circular.

**3. 2016 FINAL ACCOUNT REPORT**

On 29 March 2017, the *2016 Final Account Report* of the Bank (see Annex C to this circular for details) was considered and passed at the meeting of the Board which is currently proposed to the AGM by way of ordinary resolution for consideration and approval.

**4. 2017 FINANCIAL BUDGETS****(1) Principal directions**

To maximise value, strengthen standardised financial control, deepen overall cost management and foster healthy and sustainable business development.

**(2) Proposed financial budgets**

In accordance with the principal directions for preparation of annual financial budget and annual operational goals, the 2017 total budget for operating expenses (net of taxes and surcharges as well as non-business expenditure) will be capped at RMB4,510 million, of which RMB3,900 million, RMB420 million and RMB190 million will be allotted to the Bank, the village and township banks and HB Leasing respectively, and such amount represents an increase of RMB570 million or 14% as compared to the operating expenses of RMB3,940 million incurred by the Bank in 2016. The cost-to-income ratio will be capped at 35% and such increase is mainly due to among other things, salary adjustment as a result of headcount

increase and promotion to higher ranks, further investments in business expansion of finance headquarters and branches, further investments in technology, increasing depreciation and amortisation of assets and publicity campaigns for the Bank's 20th anniversary celebration. The budget draft excludes potential expenses for establishment of new holding subsidiaries such as HBCF.

In order to inspire all operational institutions to make more contributions, if the business development and the realised net profit exceed the budget, the expense budget will be correspondingly increased by 10% of the excess part of the net profit budget.

On 29 March 2017, the financial budget was considered and passed at the meeting of the Board, which is currently proposed to the AGM by way of ordinary resolution for consideration and approval.

## **5. 2016 PROFIT DISTRIBUTION PLAN**

In accordance with the audit results for 2016 and provisions of the relevant laws and regulations, the 2016 profit distribution plan of the Bank is proposed as follows:

- (1) Allocation to the statutory surplus reserve: RMB452 million.
- (2) Allocation to the general risk reserve: RMB1,127 million.
- (3) No cash dividend distribution. Pursuant to the requirements under Article 17 of the Measures for the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》) issued by the CSRC, which provides that, "If any profit distribution scheme or the scheme of capitalisation from capital public reserve has not been submitted to the general meeting for shareholders' voting, or such scheme has not been implemented upon voting and approval by shareholders at the general meeting, the listed company shall issue the securities after such scheme is implemented. Before relevant plan is implemented, the lead underwriter shall not underwrite the securities issued by the listed company", and in light of the fact that the domestic A share offering of the Company had entered into the review and feedback stage, a dividend distribution to the shareholders for the year would affect the A share issuance. Accordingly, the Board proposed not to distribute any cash dividend to all Shareholders for the year 2016.
- (4) Undistributed profit of the parent company amounting to RMB7,917 million will be carried forward to the next year.

On 29 March 2017, the profit distribution plan was considered and passed at the meeting of the Board, which is currently proposed to the AGM by way of ordinary resolution for consideration and approval.

**6. 2016 ANNUAL REPORT**

For details, please refer to the 2016 Annual Report of the Bank.

On 29 March 2017, the annual report was considered and passed at the meeting of the Board, which is currently proposed to the AGM by way of ordinary resolution for consideration and approval.

**7. PROPOSAL ON THE APPOINTMENT OF AUDITORS FOR 2017**

The Board has proposed the re-appointment of Ernst & Young and Ernst & Young Hua Ming LLP as the international and domestic external auditors of the Bank for 2017 to provide annual audit and interim review for 2017 in respect of the consolidated and parent company financial statements of the Bank, and to provide other professional services in accordance with regulatory requirements and needs arising from the Bank's actual business development. The aggregate fee for the audit of the parent company financial statements of 2017 and the review of the interim financial statements of 2017 (excluding miscellaneous expenses such as travel expenses, documentation and liaison expenses, which will be charged at rates determined by the Bank) will be RMB4.30 million, representing an increase of RMB0.3 million from 2016. The fee is increased due to: 1) the greater workload caused by the business growth of the Bank and the increase of businesses in 2017, 2) the greater workload in respect of consolidation resulting from the business growth of the existing subsidiaries (24 village and township banks and HB Leasing) and the subsidiaries to be established in 2017, i.e. Harbin Bank Consumer Finance Co., Ltd. and 8 village and township banks, and 3) the greater workload under the requirements of the newly issued international standards on auditing and the China's Auditing Standards for the Certified Public Accountants: the Certified Public Accountant's Responsibilities Relating to Other Information.

On 29 March 2017, the proposal was considered and passed at the meeting of the Board, which is currently proposed to the AGM by way of ordinary resolution for consideration and approval.

**8. PROPOSAL ON GRANTING THE BOARD A GENERAL MANDATE TO ISSUE  
ADDITIONAL H SHARES**

To meet the needs of the Bank's development, upon the consideration and approval at the meeting of the Board on 29 March 2017, it is proposed that the AGM considers and approves granting the Board a general mandate to issue additional H Shares by way of special resolution, the details of which are as follows:

- (1) Subject to the conditions set out below, the Board be granted an unconditional and general mandate to issue, allot and deal with additional H Shares in the share capital of the Bank and to make or grant offers, agreements or options in respect of such H Shares:
  - (a) save as in relation to offers, agreements or options made or granted by the Board during the Relevant Period (defined as below) which might require to be conducted or exercised after the end of the Relevant Period, the mandate shall not exceed the Relevant Period;
  - (b) the aggregate nominal value of H Shares of the Bank to be allotted and issued, or agreed (conditionally or unconditionally) to be allotted and issued (whether pursuant to an option or otherwise), by the Board shall not exceed 20% of the aggregate nominal value of the issued H Shares of the Bank at the date on which the relevant resolution is passed at the AGM; and
  - (c) the Board will only exercise its power under the mandate mentioned above in accordance with the PRC Company Law (as amended from time to time) and the Hong Kong Listing Rules (as amended from time to time) and after obtaining the approvals of the CSRC and/or other relevant PRC government authorities.
- (2) The “**Relevant Period**” means the period from the date of passing the relevant resolution until the earliest of:
  - (a) the conclusion of the next annual general meeting of the Bank following the passing of the relevant resolution;
  - (b) the expiration of the 12-month period following the passing of the relevant resolution; or
  - (c) the revocation or variation of the authority granted under the relevant resolution by a special resolution at a general meeting of the Bank.

- (3) After the issue of new H Shares pursuant to the relevant resolution, the Board or the person authorised by the Board is hereby authorised to:
- (a) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issuance of such new H Shares, including but not limited to determining the time and place of issuance, the specific issuance plan (including but not limited to the method of pricing, issuance price/price range, issuance size, target subscribers and engagement of intermediaries), making all necessary applications to the relevant authorities and entering into underwriting agreements (or any other agreements);
  - (b) determine the use of proceeds and make necessary filings and registrations with the relevant authorities in the PRC, Hong Kong and other jurisdictions; and
  - (c) increase the registered share capital of the Bank following the issue of new H Shares and make such amendments to the Articles of Association as it thinks fit so as to reflect the corresponding changes in registered share capital, total share capital and shareholding structure of the Bank.

## 9. PROPOSAL ON ISSUANCE OF NON-CAPITAL FINANCIAL BONDS

The Bank proposes to issue non-capital financial bonds of no more than RMB10 billion again from 2017 to 2018 in accordance with the related laws and regulations such as the Administrative Measures of Financial Bond Issuance in National Inter-bank Bond Market (《全國銀行間債券市場金融債券發行管理辦法》), the Administrative and Operational Procedures on Financial Bond Issuance in National Inter-bank Bond Market (《全國銀行間債券市場金融債券發行管理操作規程》), and the CBRC Measures for the Implementation of Administrative Licensing Regarding Domestic-funded Commercial Banks (《中國銀監會中資商業銀行行政許可事項實施辦法》).

Upon the consideration and approval at the meeting of the Board on 29 March 2017, the Board of Directors is currently proposed to the AGM by way of special resolution to consider and approve the issuance of non-capital financial bonds in accordance with the following issuance plan:

- (1) Size of the issuance: no more than RMB10 billion in aggregate of different types of non-capital financial bonds, subject to the market conditions to issue once or in several times;
- (2) Nature of bonds: the repayment ranking of the principal and interest will be the same as the general liabilities of commercial banks, and will be senior to long-term subordinate debt of commercial banks, tier-2 capital instruments, hybrid capital bonds, other tier-1 capital instruments and unsecured commercial bank financial bonds of equity capital;

- (3) Bonds type and maturity: bond types include but not limited to non-capital financial bonds such as ordinary financial bonds and/or special financial bonds for small and micro enterprises, special financial bonds for “agriculture, farmer and rural area” and green financial bonds. Each bond will have a term of no longer than 10 years. In the planning of issue scale and before the planning of issuance, the actual proportion and size of various types of bonds would be finalised according to the Bank’s actual demand, market conditions or investors’ level of subscription;
- (4) Coupon rate: the coupon rate of each bond can adopt a fixed rate or a variable rate or a combination of the two according to the proportion;
- (5) Method of issuance: each issuance of bonds can adopt the method of public offering or private placing. The specific method of issuance would be determined by the Bank’s demand and market conditions;
- (6) Use of proceeds: different types of non-capital financial bonds have different specialised uses. Proceeds from ordinary financial bonds will be used to optimise the Bank’s balance sheet structure pursuant to the applicable laws and as approved by regulatory authorities. Proceeds from special financial bonds for small and micro enterprises will be used for loans to be granted to small and micro enterprises to support their development; proceeds from special financial bonds for “agriculture, farmer and rural area” will be used for loans to be granted for “agriculture, farmer and rural area” in order to support the development of “agriculture, farmer and rural area” businesses; proceeds from green bonds will be used for loans to be granted for green industry projects including pollution reduction, energy conservation and comprehensive resources allocation in order to contribute to a sustainable development of the green economy;
- (7) Term of validity of the resolution: from the date on which the proposal on the issuance of non-capital financial bonds is passed at the AGM to 31 December 2019.

Meanwhile, the Board of Directors will propose to the AGM to grant the Board of Directors with full authorisation and to authorise the Board of Directors to delegate to the President of the Bank and other personnel assigned by the President the authorisation in respect of the issuance of non-capital financial bonds, the details of which are as follows:

- (1) Details of authorisation: the Board has the right to decide on all matters relating to the issuance of non-capital financial bonds with absolute discretion, including but not limited to handling relevant regulatory application and approval matters, determining the type of bonds, the number and size of issuance, timing of issuance, substance of issuance, means of issuance, place of issuance, conditions, term, interest rate, price, currency, applying for listing and circulation of the bonds, arranging the repayment of the principal and interests, and signing and executing all the relevant legal documents.
- (2) Term of authorisation: from the date on which the proposal is passed at the general meeting to 31 December 2019.

- (3) Authorisation and delegation: the Board delegates to the President and other personnel assigned by the President the authorisation to determine and handle, within the issuance size of no more than RMB10 billion, all specific matters relating to the issuance of non-capital financial bonds in accordance with the full authorisation granted to the Board by the AGM.

#### **10. PROPOSAL ON THE EXTENSION OF THE VALIDITY PERIOD OF THE PROPOSAL ON THE INITIAL PUBLIC OFFERING AND LISTING OF A SHARES**

Reference is made to the 2015 first extraordinary general meeting, the 2015 first domestic shareholders' class meeting and the 2015 first H shareholders' class meeting held on 30 June 2015 by the Bank, which considered and passed, among other things, the *proposal on the initial public offering and listing of A Shares* (hereinafter the "**Listing Proposal**"), respectively. According to the resolutions at the aforesaid extraordinary general meeting, domestic shareholders' class meeting and H shareholders' class meeting, the valid period of the Listing Proposal is 12 months from the date when the Listing Proposal is considered and passed by the aforesaid extraordinary general meeting, domestic shareholders' class meeting and H shareholders' class meeting. Reference is also made to the 2015 annual general meeting, the 2016 first domestic shareholders' class meeting and the 2016 first H shareholders' class meeting of the Bank held on 19 May 2016, at which, among other things, the Proposal on the Extension of the Validity Period of the Proposal on the Initial Public Offering and Listing of A Shares of Harbin Bank Co., Ltd. was considered and passed respectively and the validity period of the Listing Proposal was extended for 12 months ("**First Extension**").

As the validity period of the Listing Proposal upon First Extension is going to expire and related work of the A Share Offering is still in progress, the Bank proposes to further extend the aforesaid validity period in order to ensure the effective running of the work of the initial public offering and listing of A Shares of the Bank. The further extended validity period of the proposal will be 12 months from the date when it is considered and passed by the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, respectively.

On 29 March 2017, the proposal was considered and passed at the meeting of the Board, which is currently proposed to the AGM, the Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting respectively by way of special resolution for consideration and approval.



**11. PROPOSAL ON THE EXTENSION OF THE VALIDITY PERIOD OF THE  
AUTHORISATION TO THE BOARD TO HANDLE THE COMPANY'S  
APPLICATION FOR A SHARE OFFERING AND RELATED MATTERS**

The 2015 first extraordinary general meeting, the 2015 first domestic shareholders' class meeting and the 2015 first H shareholders' class meeting of the Bank held on 30 June 2015 also considered and passed, among other things, the *proposal on granting authorisation by general meeting of Harbin Bank Co., Ltd. to the Board to handle the Company's application for A Share Offering and related matters*, respectively. According to the resolutions at the aforesaid extraordinary general meeting, domestic shareholders' class meeting and H shareholders' class meeting, the valid period of the authorisation by the general meeting to the Board to handle the Company's application for A Share Offering and related matters is 12 months from the date when the aforesaid proposal is considered and approved by the aforesaid extraordinary general meeting, domestic shareholders' class meeting and H shareholders' class meeting. On 19 May 2016, the Bank held the 2015 annual general meeting, the 2016 first domestic shareholders' class meeting and the 2016 first H shareholders' class meeting, at which, among other things, the Proposal on the Extension of the Validity Period of the Authorisation to the Board to Handle the Company's Application for A Share Offering and Related Matters was considered and passed respectively. The validity period of the Authorisation Proposal was extended for 12 months ("**First Extension**").

As the validity period of the aforesaid authorisation upon First Extension is going to expire and related work of the A Share Offering of the Bank is still in progress, the Bank proposes to further extend the validity period of the original authorisation in order to ensure the effective running of the work of the A Share Offering. The further extended validity period of the proposal will be 12 months from the date when it is considered and passed by the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, respectively.

On 29 March 2017, the proposal was considered and passed at the meeting of the Board, which is currently proposed to the AGM, the Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting respectively by way of special resolution for consideration and approval.

**12. PROPOSAL ON THE EXTENSION OF THE VALIDITY PERIOD OF THE  
AUTHORISATION TO THE BOARD AND SPECIFIC PERSONNEL FURTHER  
AUTHORISED BY THE BOARD TO DRAFT AND FINALISE AN OPEN  
COMMITMENT LETTER**

The 2015 first extraordinary general meeting, the 2015 first domestic shareholders' class meeting and the 2015 first H shareholders' class meeting of the Bank held on 30 June 2015 also considered and passed the *proposal on commitments relating to the information disclosure of the prospectus on the A Share Offering*, respectively. According to the resolutions at the



aforesaid extraordinary general meeting, domestic shareholders' class meeting and H shareholders' class meeting, the general meeting authorised the Board and specific personnel further authorised by the Board to draft, in accordance with the specific requirements of the regulatory authorities, an open commitment letter which will be signed by the legal representative of the Bank when appropriate. The valid period of the authorisation is 12 months from the date when the aforesaid proposal is considered and passed by the aforesaid extraordinary general meeting, domestic shareholders' class meeting and H shareholders' class meeting. On 19 May 2016, the Bank held the 2015 annual general meeting, the 2016 first domestic shareholders' class meeting and the 2016 first H shareholders' class meeting, at which the Proposal on the Extension of the Validity Period of the Authorisation to the Board and Specific Personnel Further Authorised by the Board to Draft and Finalise the Commitment Letter was considered and passed respectively. The validity period of the commitments relating to the information disclosure was extended for 12 months ("**First Extension**").

As the validity period of the aforesaid authorisation is going to expire and related work of the A Share Offering of the Bank is still in progress, the Bank proposes to extend the validity period of the original authorisation in order to ensure the effective running of the work of the A Share Offering. The extended validity period of the proposal is 12 months from the date when it is considered and passed by the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, respectively.

This proposal has been considered and passed by the Board of Directors on 29 March 2017, and should be submitted to the AGM, the Domestic Shareholders' Class Meeting and H Shareholders' Class Meeting respectively for consideration by way of special resolution.

### **13. THE PROPOSAL ON THE FUTURE DIVIDEND RETURN PLAN OF HARBIN BANK CO., LTD. (DRAFT)**

The Proposal on the Future Dividend Return Plan of Harbin Bank Co., Ltd. (Draft) was considered and approved at the 2015 first extraordinary general meeting of the Bank held on 30 June 2015, which formulated a dividend return plan for the next three years (2015 – 2017). In view of the expiration of the three-year period and the progressing initial public offering and listing of the A Shares of the Bank, in order to ensure the success of the initial public offering and listing of the A Shares of the Bank, the Bank proposes to make amendments to the Future Dividend Return Plan of Harbin Bank Co., Ltd. (Draft). The full text of the amendments to the Future Dividend Return Plan of Harbin Bank Co., Ltd. (Draft) is set out in Annex D to this circular.

On 29 March 2017, the proposal was considered and passed at the meeting of the Board, which is currently proposed to the AGM by way of special resolution for consideration and approval.

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## **ANNEX A – 2016 WORK REPORT OF THE BOARD OF DIRECTORS**

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In 2016, with strong supports of all Shareholders and effective supervision of the Board of Supervisors, the Board of Directors further implemented the national policies and regulatory requirements, continued to adopt the microcredit strategy as driving force, comprehensively enhanced the corporate governance under the new situation, further utilised the role of scientific decision-making and strategic management and continued to strengthen risk management and capital management, ensuring a good start for the new five-year development strategic plan.

As at 31 December 2016, the Company had total assets of RMB539,016 million, representing an increase of 21.2% as compared to the end of last year. The Company recorded net profit of RMB4,962 million, representing a year-on-year increase of 10.0%. The overall development of the assets and liabilities business was good with effective placement of loans. The total loans amounted to RMB201,628 million, representing an increase of RMB52,953 million or 35.6% as compared to the end of last year. The balance of customer deposits amounted to RMB343,151 million, representing an increase of 11.8% as compared to the end of last year. The Company recorded net profit of RMB2,393 million for intermediary services, representing a year-on-year increase of RMB434 million and accounting for 16.89% of the total net profit. ROA, ROE and cost-to-income ratio were 1.01%, 14.01% and 28.60% respectively. Financial indicators, including per capital profit, recorded satisfactory results.

### **I. DUTY PERFORMANCE OF THE BOARD OF DIRECTORS IN 2016**

In 2016, the Board of Directors closely centred on the work theme of “Year of Products” by closely cooperating with all the employees to continually push forward innovation and transformation development and explore new sources of growth, which were mainly reflected in the following eight aspects below:

- (I) Attaching great importance to strategic management. In view of the complicated economic environment, the Board of Directors attached great importance to strategic management and formulated the “2016-2020 Guideline of Strategic Development Plan”, the “2016-2020 Strategic Development Plan” and the “2016-2020 Strategic Development Detailed Plan”, successively which defined the new strategic goal of becoming a “first class international microcredit bank providing excellent services with unique characteristics”. Strategic speeches were given by the senior management to enhance the understanding and knowledge of the strategies at all levels in the Bank and ensure the successful implementation of the new strategies.
- (II) Optimising corporate governance system. In 2016, the Company convened five general meetings and class meetings of shareholders, six meetings of the Board and 26 meetings of the special committees of the Board and formulated or made amendments to the systems in relation to corporate governance for 14 times, which related to the Articles of Association, the terms of reference of the Board committees and the remuneration management and performance evaluation system of senior management. The Company organised meetings for the Directors and the senior management, symposiums for the chairman of the Board of Directors and

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## ANNEX A – 2016 WORK REPORT OF THE BOARD OF DIRECTORS

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independent directors and four survey and investigations by independent Directors. The Company also invited the senior personnel in the Shanghai Stock Exchange to conduct special trainings on related party transactions management and information disclosure upon listing and arranged the Directors to attend the corporate governance training sessions organised by the Hong Kong Institute of Chartered Secretaries to further enhance the compliance awareness and the performance ability of the Directors.

- (III) Strengthening capital management. In 2016, pursuant to the applicable laws and regulations and the Company's long and medium term capital management plans, the Board of Directors established a capital monitoring, assessment and alert system covering various departments, encouraged capital intensive development, managed the growth of assets and promoted the normalisation of asset securitisation. The Company made reasonable planning for external investment and established a reasonable external investment assessment and evaluation system. The capital structure was optimised through the successful issuance of tier-2 capital bonds of RMB8 billion at an annual interest rate of 4.00%. The Company also strived to replenish the core tier 1 capital and other tier 1 capital by A share listing, issuance of offshore preference shares and granting a general mandate to issue additional H shares.
- (IV) Enhancing information disclosure and investor relations management. In 2016, the Company strictly complied with the relevant requirements and made general information disclosure to safeguard the interests of investors by issuing 54 non-scheduled announcements in both Chinese and English and 30 regular reports in both Chinese and English. The Company convened two results meetings and two press conferences in Hong Kong respectively, where there was a total of more than 80 individuals including domestic and foreign fund managers, analysts and media reporters attending the meetings. The Company organised three results road shows in Hong Kong, the U.S. and other foreign countries and met over 30 foreign institutional investors. The Company received visits from domestic and foreign institutional investors as well as analysts of investment banks and brokers. The Company replied the issues and suggestions from investors proposed through various channels in a timely manner, including answering over 60 telephone inquiries from investors and replying numerous e-mail inquiries from investors and analysts.
- (V) Following the featured development path. The Company adhered to featured development, representing a full utilisation of its geographical advantage on the basis of insisting on the strategic features of microcredit strategy, and the featured businesses including the Sino-Russia financial services delivered excellent results. In 2016, the Company increased investment in consumer finance, rural finance and microfinance. The business size of the microcredit business increased to RMB153.95 billion, accounting for 82%. The Company promoted and initiated the Sino-Russia Financial Council and achieved excellent results in the cooperation.

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## ANNEX A – 2016 WORK REPORT OF THE BOARD OF DIRECTORS

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The Company, together with Chinese alliance members, successfully entered into syndicated loan agreement of RMB10,000 million with Vnesheconom Bank (VEB), the sole policy bank in Russia, further reflecting the special advantages in the Sino-Russia business.

- (VI) Establishing a new layout for development. In 2016, the Company proactively explored the room of collectivised development, strived to combining the overall planning with key breakthroughs, and controlled the pace for external investment rationally. The establishment of Harbin Bank Consumer Finance Co., Ltd. was officially approved such that the Company became one of a few institutions which had more than two non-banking licenses among the city commercial banks. The establishment of 8 village and township banks in-preparation in three provinces, namely Sichuan, Gansu and Heilongjiang, was approved. Total number of village and township banks reached 32. The Company became a city commercial bank with the largest number of village and township banks under absolute control. In addition, upon the establishment and improvement in collectivised development strategy and risk isolation system, the collectivised development of the Company entered into a new era.
- (VII) Observing the compliance risk bottom line. In 2016, in view of the domestic economic slowdown, the Board of Directors formulated various risk management plans while strictly observing the compliance risk bottom line, strengthening targeted compliance inspection and audit inspection, further enhancing compliance appraisal indicators and facilitating the automation of internal control in project construction. The Company pushed forward the projects under the New Basel Capital Accords. The internal assessment model for retail and non-retail business officially commenced application. Series of advanced management measures had been applied, such as data platform, comprehensive budgeting management and interest rate liberalisation system. Hence, the risk management of the Company was further enhanced.
- (VIII) Performing social responsibilities. In 2016, against the backdrop of accelerating strategic transformation and structural adjustment, the Board of Directors emphasised the deep integration of social responsibilities and business models so as to achieve sustainable development and value sharing among all stakeholders. The Company's title sponsor of the 2016 Harbin International Marathon was a success. The Company organised several public art exhibitions, including the Russia Sculpture Exhibition, the Masterpiece Exhibition for Chinese Modern Painting and Calligraphy Artists (中國當代書畫名家精品展), Russia Oil Painting Masterpiece Exhibition, etc. The Bank proactively participated in charity activities and donated and constructed the first outdoor charity runway in Harbin. The Company was highly regarded by the public, the capital market and the regulatory authorities in terms of its consistent, efficient and excellent corporate social responsibility practices, hugely improving its brand image.

**II. IMPLEMENTATION OF THE RESOLUTIONS OF SHAREHOLDERS' GENERAL MEETINGS**

In 2016, the Board of Directors implemented the following resolutions of the shareholders' general meetings in 2016 and other years within its authorisation:

- (I) The proposal on the issuance of eligible tier-2 capital instruments was considered and approved at the 2016 first extraordinary general meeting held on 22 January 2016. According to approvals from the CBRC Heilongjiang Office and the People's Bank of China, the Company completed the issuance of RMB8 billion tier-2 capital bonds on 14 June 2016, with proceeds raised fully utilised for the replenishment of tier-2 capital of the Company.
- (II) The proposal on the 2015 profit distribution plan was considered and approved at the 2015 annual general meeting held on 19 May 2016, according to which the Company distributed dividends in an aggregate amount of RMB1,177 million based on the distribution plan of "RMB0.107 per share". Such dividends were distributed to Domestic Shareholders and H Shareholders recorded on the register of Shareholders as at 4 June 2015. The aforesaid dividends for the year 2015 were distributed on 15 July 2016.
- (III) The proposal on the extension of the validity period of the proposal on the initial public offering and listing of A shares, the proposal on the extension of the validity period of the authorisation to the Board to handle the Company's application for the A share offering and related matters and the proposal on the extension of the validity period of the authorisation to the Board and specific personnel further authorised by the Board to draft and finalise the open commitment letter were considered and approved at the 2015 annual general meeting held on 19 May 2016. It was agreed that the validity periods to be extended for another 12 months. Currently, various works in relation to the listing of A shares of the Company are being conducted orderly.
- (IV) At the 2015 annual general meeting held on 19 May 2016, the proposal on granting a general mandate to issue additional H Shares to the Board of Directors was considered and approved. The Board of Directors has been prudently used the general mandate granted by the shareholders' general meeting. It will actively seek outstanding investors for issuance of additional H shares, provided that the shareholding structure is optimised and the cooperation with the Shareholders is enhanced. Since the Company's application for the initial public offering and the listing of A Shares has been accepted by the CSRC, the general mandate for issuance of additional H shares, granted by the 2015 annual general meeting, remains unused.
- (V) The proposal on the issuance of green financial bonds was considered and approved at the 2015 annual general meeting held on 19 May 2016. Currently, the Company has obtained approval from the CBRC Heilongjiang Office to issue not more than

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## ANNEX A – 2016 WORK REPORT OF THE BOARD OF DIRECTORS

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RMB5 billion green financial bonds in the interbank bond market, but the issuance is still subject to approval from the People’s Bank of China. Various preparation works are being conducted orderly.

- (VI) The proposal on the issuance of non-capital financial bonds was considered and approved at the 2016 second extraordinary general meeting held on 13 October 2016. The Company intended to issue not more than RMB10 billion non-capital financial bonds in 2017, provided that all the regulatory requirements are satisfied. As at the end of 2016, relevant issuance matters are in preparation.
  
- (VII) The proposal on the securitisation of credit assets of SMEs was considered and approved at the 2011 annual general meeting held on 27 April 2012. According to approvals from the Banking Innovation Supervision Department of the CBRC and the People’s Bank of China, the Company completed the issuance of first tranche of 2016 Huijin securities backed by credit assets on 16 March 2016. Such securities are classified into three types, i.e. securities backed by preference A assets, securities backed by preference B assets and securities backed by secondary assets, with total issue size of RMB2,257.3070 million.

In 2017, the Board of Directors will continue to faithfully perform the “fiduciary duties” and “supervisory responsibilities”, follow the microcredit strategy, establish itself into “an international leading, microcredit bank with excellent services and distinct features”, provide better services to customers, develop better working environment for employees, and create more values to investors and the society.

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## **ANNEX B – 2016 WORK REPORT OF THE BOARD OF SUPERVISORS**

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In 2016, under the guidance of Heilongjiang Branch of the CBRC and the full support and cooperation from the Board of Directors and the senior management, the Board of Supervisors performed its duties mandated by the Company Law and the Articles of Association with due diligence and in good faith, conscientiously safeguarding the interests of the Company, Company's Shareholders, staff and related parties, as it performed its duties in accordance with the law in an independent and effective way and completed all works in a satisfactory manner. We hereby report our work for 2016 as follows:

### **I. PRINCIPAL WORK OF THE BOARD OF SUPERVISORS**

#### **(I) Convenes relevant meetings on schedule and performs its duty of considering resolutions in accordance with the law.**

The Board of Supervisors operated strictly in accordance with the law and timely convened meetings of the Board of Supervisors and its special committees in accordance with the requirements of the Articles of Association and the Rules of Procedure for the Board of Supervisors' Meeting. During the reporting period, the Board of Supervisors convened four meetings in total. Nine resolutions were considered at the meetings, including the work report of the Board of Supervisors, the annual report and the performance evaluation report. The special committees convened six meetings and considered eight resolutions.

All Supervisors duly performed their duties and timely attended meetings. During the meetings, they considered the resolutions earnestly and expressed their independent and objective opinions. In addition, the Supervisors attended the shareholders' general meetings and the meetings of the Board of Directors, and participated in certain operation and working meetings in accordance with the requirements of the law. By attending relevant meetings, the Board of Supervisors understood the operation and management as well as various material matters of the Bank, paid attention to the conditions including the operational management, the financial management, the risk management and the internal control, and other issues, and performed on-site supervision of the participation of Directors and the senior management in decision-making and operation. Meanwhile, the Board of Supervisors supervised compliance of the proceedings and resolutions of the meetings with the laws and regulations, as well as the performance of duties of the Directors and the senior management.

#### **(II) Deepens supervision with ever-rising practical effects.**

Firstly, the implementation of the supervision of the performance was regulated. During the reporting period, the Board of Supervisors continued to supervise the performance of the Board of Directors and the senior management in accordance with the requirements of the Articles of Association and the systems relating to the evaluation of performance. Through attending the meetings of the Board of Directors and the senior management, submission of information, investigations and interviews, the Board of Supervisors monitored the performance of the Board of Directors and the senior management and their members in terms of making material strategic decisions and their implementation, operation and management, risk management and internal control management. Based on the annual supervision of the performance, the Board of Supervisors evaluated the annual work performance and compiled reports to submit to the shareholders' general meeting and relevant regulatory authorities.



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## **ANNEX B – 2016 WORK REPORT OF THE BOARD OF SUPERVISORS**

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Secondly, interviews were practically conducted. During the reporting period, the Board of Supervisors conducted interviews with 17 branches, 11 sub-branches and the four finance headquarters, the risk department, the business department and the support department. The supervision of the Board of Supervisors also be proactively transformed by conducting interviews with the Bank's investees, namely HB Leasing, the board of directors of the village and township banks and 6 village and township banks from the perspective of the Group.

During the interviews, the Board of Supervisors placed special emphasis on the supervision and understanding of the implementation work of each organisation, effects of the change in external environment and its pertinent strategies, execution of the new five-year strategic plan, the operations of the new organisational structure, compliance management, financial management, non-performing assets, incident prevention and control, data governance, optimisation of the asset structure, etc. It also consistently paid attention to all kinds of risk management status and control measures. It made relevant comments and suggestions, and reported to the Board of Directors and the senior management for reference for decision-making and operation.

Thirdly, special investigations were carefully organised. During the reporting period, the Board of Supervisors conducted special investigations for the external Supervisors. It established three topic teams, namely consumer finance development strategy, risk management of big data era, and the economic development of the Sanjiang Plain as well as the innovation and risk management of the Bank's loan products. The information related to the three topics was collected after, among other things, investigations at the branch level, site visits, and discussions with the related departments of the head office. Special investigation reports were prepared upon in-depth study and analysis and submitted to the Board of Directors and the senior management for reference.

### **(III) Diligently improves the capability to perform and continuously strengthens its self-enrichment.**

During the reporting period, new Rules of Procedure for the Board of Supervisors' Meetings and new working rules of various committees were put into effect on time under the approval of the regulatory authority of the Articles of Association of the Bank. The Board of Supervisors always paid attention to the introduction and updates of the relevant laws and regulations and regulatory guidelines in China, and organised the Supervisors to study in a timely manner. By organising trainings in relation to corporate governance, information disclosure and new regulations of regulatory policy for Supervisors, Supervisors had a clearer picture on their legal responsibilities, rights and obligations, and an in-depth understanding on the problems and challenges confronted upon the listing of the Company, making them have a better understanding of the theories. The Board of Supervisors strengthened the requirements on the duty performance of the Supervisors during its day-to-day work. It strictly reviewed the attendance of meetings and trainings of the Supervisors. All supervisors were arranged to participate in the interviews and investigations so that they were able to deeply understand the actual situation of the operation and management in the industry and make recommendations and suggestions as an expert so as to ensure their duty performance. During the year, the performance of the Board of Supervisors and the Supervisors were adequately evaluated.



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

During the reporting period, the operating activities of the Company were in compliance with the Company Law, the Commercial Bank Law and the Articles of Association, and the decision-making processes were legal and valid. No instances of the Directors or senior management of the Company committing, during the discharge of their duties, acts in violation of the laws and regulations and the Articles of Association or in compromise of the interests of the Company and the Shareholders have been identified.

**(II) Truthfulness of the financial reports.**

During the reporting period, the annual financial report of the Company was audited by Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young in accordance with the PRC and international auditing standards, respectively, who issued standard unqualified audit reports in respect thereof. The Board of Supervisors was of the opinion that the Company's financial report for the year was a true, accurate and complete representation of the Company's financial position and operating results.

**(III) Related transactions.**

During the reporting period, the Risk Management and Related Transactions Control Committee under the Board of Directors and other relevant departments of the Company confirmed, examined and disclosed related transactions in accordance with related provisions of the Administration Measures on Related Transactions of the Company. The administration of related transactions was in compliance with the related provisions of the national laws and regulations and the Articles of Association, and no act to the prejudice of the interests of the Company and the Shareholders was identified.

During the reporting period, this session of the Board of Supervisors performed its supervisory duties in accordance with its responsibilities in compliance with the laws and regulations, and safeguarded the interests of the Shareholders, the Company, the employees and the public, thus effectively contributing to the operation development and the improvement of the corporate governance structures of the Bank. In 2017, the Board of Supervisors will continue to maintain the effective communication with the Board of Directors and the senior management, strengthened its self-enrichment in order to improve its supervision of the major decisions, operating activities, financial management, risk management and internal control security of the Company, and make a great effort to undertake supervision and investigations, thus facilitating the steady and healthy development of the Company.

## APPENDIX C – 2016 FINANCIAL ACCOUNT REPORT

### I. OVERALL OPERATION OVERVIEW

In 2016, against the backdrop of the slowdown of China's domestic economic growth, accelerated market-oriented financial reform, prudent regulatory policies and intensified interbank competition, the Company proactively addressed challenges posed by such changes under the leadership of the Board and supervision of the Board of Supervisors. The Company further optimised key financial indicators by accelerating business transformation, insisting on microcredit development strategy, strengthening risk management and exploring the models of transformation.

The Group (based on the International Financial Reporting Standards, the same below) recorded net profit of RMB4,962 million, representing a year-on-year increase of RMB453 million or 10.04%. The net profit attributable to shareholders of the parent company reached RMB4,877 million, representing a year-on-year increase of RMB419 million or 9.40%. The basic earnings per share were RMB0.44, representing a year-on-year increase of RMB0.03. The return on average equity was 14.01%. The return on average total assets was 1.01%.

As at the end of 2016, the Company had NPLs balance of RMB3,082 million, representing an increase of RMB1,003 million as compared to the beginning of the year. The NPL ratio amounted to 1.53%, up by 0.13 percentage point as compared to the beginning of the year, so that the loan quality was generally kept at a manageable level. The rise in NPL and NPL ratio was mainly due to the slowdown of economic growth and the deepened industry structural adjustment. The impairment coverage ratio amounted to 166.77%, down by 7.06 percentage points as compared to the beginning of the year. The impairment losses on loans ratio was 2.55%, up by 0.12 percentage point as compared to the beginning of the year.

**Table 1. Key accounting data and financial indicators**

	<i>Unit: RMB100 million</i>	
<b>Item</b>	<b>2016</b>	<b>2015</b>
1. Profitability		
1.1 Net profit	<b>49.62</b>	45.10
Of which: Net profit attributable to shareholders of the parent company	<b>48.77</b>	44.58
1.2 Return on average equity	<b>14.01%</b>	14.23%
1.3 Return on average total assets	<b>1.01%</b>	1.14%
1.4 Basic earnings per share (RMB)	<b>0.44</b>	0.41
1.5 Net interest margin (NIM)	<b>2.65%</b>	2.68%
2. Income structure		
2.1 Net fee and commission income to operating income ratio	<b>16.89%</b>	16.40%
2.2 Cost-to-income ratio	<b>28.60%</b>	31.75%

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## APPENDIX C – 2016 FINANCIAL ACCOUNT REPORT

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Item	2016	2015
3. Assets quality		
3.1 Balance of NPLs	<b>30.82</b>	20.79
3.2 NPL ratio	<b>1.53%</b>	1.40%
3.3 Impairment coverage ratio	<b>166.77%</b>	173.83%
3.4 Impairment losses on loans	<b>2.55%</b>	2.43%
4. Capital adequacy ratios		
4.1 Core tier 1 capital adequacy ratio (under the new measures)	<b>9.34%</b>	11.04%
4.2 Tier 1 capital adequacy ratio (under the new measures)	<b>9.35%</b>	11.04%
4.3 Capital adequacy ratio (under the new measures)	<b>11.97%</b>	11.54%

## II. MAJOR INCOME AND EXPENSES

(I) Operating income. The Company recorded operating income of RMB14,172 million, representing a year-on-year increase of RMB2,227 million or 18.64%.

1. Net interest income. The Company achieved steady growth in net interest income by actively responding to the changing external business environment, enhancing comprehensive and balanced management of the assets and liabilities, resulting in sustaining growth in assets and liabilities and continuously optimizing the structure. The Company recorded net interest income of RMB11,573 million, representing a year-on-year increase of RMB1,940 million or 20.14%.

The Company's interest income increased by 9.49% to RMB22,603 million, mainly because the Company's average balance of interest-earning assets increased by 21.61% from RMB359,171 million at the end of 2015 to RMB436,799 million at the end of 2016. The average yield of the Company's interest-earning assets decreased from 5.75% at the end of 2015 to 5.17% at the end of 2016. Changes in the above indicators were primarily the result of a decline in yield of loans to customers and due from banks and other financial institutions for 2016.

The Company's interest expense increased by 0.17% to RMB11,029 million. The increase in interest expense was primarily attributable to an increase of 21.55% in the average balance of the interest-bearing liabilities from RMB336,012 million at the end of 2015 to RMB408,407 million at the end of 2016 resulting from an increase in the Company's customer deposits and due to other banks. The average cost rate of interest-bearing liabilities decreased from 3.28% in 2015 to 2.70% in 2016.

## APPENDIX C – 2016 FINANCIAL ACCOUNT REPORT

2. Net fee and commission income. Confronted with the market changes and fierce interbank competition, the Company continued to adjust the profit structure, deepen product innovation, increase investment in channel construction, and further improve service technologies and service standard. The Company recorded net fee and commission income of RMB2,393 million, up RMB434 million or 22.1% year on year and contributed 16.89% to the operating income.
  3. Other non-interest income. Other non-interest income decreased by RMB148 million or 41.93% to RMB205 million year on year, including an increase of RMB105 million in other net operating income.
- (II) Operating expenses. In 2016, the Company's operating expenses decreased by RMB215 million or 4.54% to RMB4,522 million year on year. Under the principles of practising strict economy and running the Company by thrift and hard work, the Company strictly controlled the administrative and operating expenses, optimised the expense structure and improved the efficiency of the use of funds. The cost-to-income ratio (tax and surcharge exclusive) was 28.60%, down by 3.15 percentage points as compared to last year.

The business and administrative expenses increased by RMB261 million or 6.9% to RMB4,054 million year on year. The staff costs of the Company were RMB2,015 million, up RMB91 million or 4.7% year on year. Depreciation and amortisation were RMB529 million, up RMB92 million or 21.1% year on year. The Company paid business tax and surcharges of RMB468 million, down RMB476 million or 50.4% year on year, primarily attributable to the shift from business tax to value added tax under the full implementation of the "BT to VAT" policy in the domestic financial sector of China since May 2016.

**Table 2. Increase in operating expenses**

*Unit: RMB100 million*

Item	Balance	2016 Year-on-year change in amount	Rate of year-on-year change	2015
Operating expenses	45.22	-2.15	-4.5%	47.37
1. Business and administrative expenses	40.54	2.61	6.9%	37.93
(1) Staff costs	20.15	0.91	4.7%	19.24
Of which: Salaries, bonuses and allowances	15.93	0.94	6.3%	14.99

## APPENDIX C – 2016 FINANCIAL ACCOUNT REPORT

Item	Balance	2016 Year-on-year change in amount	Rate of year-on-year change	2015
(2) Depreciation and amortisation	5.29	0.92	21.1%	4.37
(3) Other operating expenses	15.11	0.79	5.5%	14.32
2. Business tax and surcharges	4.68	-4.76	-50.4%	9.44

(III) Asset impairment losses. The Company's asset impairment losses increased by RMB1,957 million or 146.2% to RMB3,295 million year on year, primarily attributable to impairment provision for loans on prudent and dynamic basis given the comprehensive consideration as to the uncertainties in economic environment, and pursuant to the relevant requirements of the regulatory authorities.

(IV) Income tax expenses. The Company's income tax increased by RMB74 million or 5.2% to RMB1,483 million year on year.

**Table 3. Major income and expenses**

*Unit: RMB100 million*

Item	Balance	2016 Year-on-year change in amount	Rate of year-on-year change	2015
Operating income	141.72	22.27	18.64%	119.45
Net interest income	115.73	19.40	20.14%	96.33
Of which: Interest income	226.03	19.60	9.49%	206.43
Interest expense	110.29	0.19	0.17%	110.10
Net fee and commission income	23.93	4.34	22.15%	19.59
Other non-interest income	2.05	-1.48	-41.93%	3.53
Less: Operating expenses	45.22	-2.15	-4.54%	47.37
Less: Asset impairment losses	32.95	19.57	146.26%	13.38
Add: Profits/Losses attributable to associates	0.9	0.41	83.67%	0.49
Profit before tax	64.46	5.27	8.90%	59.19
Less: Income tax expense	14.83	0.74	5.25%	14.09
Net profit	49.62	4.52	10.02%	45.10
Attributable to: Shareholders of the parent company	48.77	4.19	9.40%	44.58
Minority shareholders	0.85	0.33	63.46%	0.52

**III. MAIN ASSETS AND LIABILITIES**

- (I) Loans. The Company enhanced the credit scale management and optimised the credit structure by resolutely complying with the macro control policies and regulatory requirements, to earnestly support and serve the real economy. As at the end of 2016, the Company's total loans increased by RMB52,953 million or 35.6% year on year to RMB201,628 million. The Company's corporate loans increased by 9.7% to RMB95,025 million, mainly due to an increase in the Company's loans to small enterprises. The balance of personal loans increased by 71.8% to RMB105,793 million, mainly attributable to an increase in the Company's loans to customers of consumer finance and housing loans. The Company's personal loans (including loans to small enterprise owners and loans to farmers) are an important component of the Company's microcredit business, which maintained a rapid growth accordingly under the Company's strategy of focusing on the development of the Company's microcredit business.
- (II) Due from and placement with banks and other financial institutions (including assets held under reverse repurchase agreements). The balance of our due from and placement with banks and other financial institutions was RMB48,539 million, representing a year-on-year decrease of RMB32,524 million or 40.1%. It was mainly because the Company adjusted the weight of such non-credit assets based on the capital condition and changes in liquidity in the market in order to keep a high capital return on the basis of maintaining the liquidity.
- (III) Investments in securities and other financial assets. The balances of securities investments and other financial assets amounted to RMB192,157 million, representing a year-on-year increase of RMB53,176 million or 38.3%. This was attributable to the Company's increased use of various investment tools and expansion of capital utilisation channels aiming at improving the Company's efficiency of the use of funds.
- (IV) Customer deposits. As at the end of 2016, total customer deposits were RMB343,151 million, representing a year-on-year increase of RMB36,333 million or 11.8%. This was mainly attributable to the Company's development of internet finance, improvement in service quality and marketing capability.
- (V) Due to and placement from banks (including assets sold under reverse repurchase agreements). The Company's due to and placement from banks was RMB106,590 million, representing a year-on-year increase of RMB34,278 million or 47.4%. This mainly reflected the Company's adjustment of the portion of repurchased assets sold in the liabilities based on market liquidity and the Company's capital needs in view of the need to match assets and liabilities.

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**APPENDIX C – 2016 FINANCIAL ACCOUNT REPORT**

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**Table 4. Major assets and liabilities**

*Unit: RMB100 million*

Item	Balance	2016 Year-on-year change in amount	Rate of year-on-year change	2015
1. Total assets	<b>5,390.16</b>	941.65	21.2%	4,448.51
Of which: (1) Total loans	<b>2,016.28</b>	529.53	35.6%	1,486.75
(2) Due from and placement with banks and other financial institutions (including assets held under reverse repurchase agreements)	<b>485.39</b>	-325.24	-40.1%	810.63
(3) Investment securities and other financial assets	<b>1,921.57</b>	531.76	38.3%	1,389.81
2. Total liabilities	<b>5,016.81</b>	906.78	22.1%	4,110.03
Including: (1) Customer deposits	<b>3,431.51</b>	363.33	11.8%	3,068.18
(2) Due to and placement from banks (including assets sold under reverse repurchase agreements)	<b>1,065.90</b>	342.78	47.4%	723.12
3. Shareholders' equity	<b>373.35</b>	34.87	10.3%	338.48

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## **ANNEX D – FUTURE DIVIDEND RETURN PLAN OF HARBIN BANK CO., LTD. (DRAFT)**

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### **I. FACTORS CONSIDERED IN FORMULATING THE DIVIDEND RETURN PLAN**

Based on the strategic development needs of the Company, and in order to further strengthen the awareness on the return to Shareholders and to establish a sound and comprehensive dividend policy and long-term communication mechanism, the Company, having considered various factors such as the actual situation of the Company's operation and development, the requirements and wishes of Shareholders, social capital costs, external financing environment, cash flow condition, capital requirements, formulated this plan.

### **II. MODIFICATION OF THE FUTURE DIVIDEND RETURN PLAN**

The Company's Board of Directors will, according to the Company's operation situation, re-examine the Future Dividend Return Plan at least once every three years, to make appropriate and necessary modifications to the dividend distribution policy of the next three years and determine the shareholder return plan for that period. At the time of modification, the Company's Board of Directors will establish a reasonable dividend plan according to the Company's specific business data, with full consideration given to the size of the Company's earnings, cash flow position, stage of development and the current capital planning and needs, to effectively ensure Shareholders' sharing of the Company's development fruits.

### **III. FUTURE DIVIDEND RETURN PLAN FOR SHAREHOLDERS**

The Company will implement a sustained and stable dividend distribution policy. The Company's dividend distribution should pay attention to the reasonable return on investment to investors and the Company's sustainable development.

The Company may adopt cash, stock and cash-stock combined methods to distribute dividends. In the premise that the Company makes profit, meets capital adequacy ratio and other regulatory requirements and is under normal operation and long-term development, the Company will actively choose cash payment method to distribute dividend. The Company may distribute dividend by cash in the interim period according to the profits situation and capital requirements. In the premise of meeting the above requirements, the profit distributed by way of cash by the Company each year will not be less than 10% of the available-for-distribution profit for that year. If faced with capital adequacy ratio constraints or inadequate cash flow, and by ensuring the reasonable size of the Company's capital, the Company may consider distributing stock dividend, etc. as a method of profit distribution. The specific dividend plan will be determined according to the Company's specific operation situation in that year and the future development needs, and will be submitted to the general meeting for approval, after having been considered by the Board of Directors. The dividend plan will need to fully consider the opinions of independent Directors and minority Shareholders. When considering the profit distribution plan by the Board of Directors, the independent Directors should express their opinions. The Board of Supervisors should consider the dividend scheme drafted by the Board of Directors, and fully listen to the views of external Supervisors. When considering the profit distribution plan, the general meeting should provide on-line voting arrangement to the



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## **ANNEX D – FUTURE DIVIDEND RETURN PLAN OF HARBIN BANK CO., LTD. (DRAFT)**

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Shareholders, in addition to on-site voting at the meeting. The Company's undistributed profit should be properly used for the Company's operation, and by ensuring sufficient funds to meet the Company's development capital needs, with consideration given to development and the protection of investors' interests, the dividend proportion may appropriately be raised.

If the Company needs to adjust its profit distribution policy, based on industry regulatory policy, its own business situation, capital needs and future long-term development needs, or significant changes taken place in the external business environment, the adjusted profit distribution policy should not violate relevant provisions of CSRC and the stock exchange. The proposal on profit distribution policy adjustment will be drafted by the Board of Directors and submitted to the general meeting for approval. The profit distribution policy adjustment plan should fully take into account the views of the independent Directors and minority Shareholders. When the Board of Directors approves the proposal on adjusting the profit distribution policy, the proposal should be approved by more than two-thirds of Directors, with independent opinions issued by independent Directors. The Board of Supervisors should consider the profit distribution policy adjustment proposal drafted by the Board of Directors, and fully listen to the opinions of the external Supervisors who are not employees of the Company. When considering the profit distribution policy adjustment proposal, the Company should provide online voting to the Shareholders, in addition to on-site voting at the meeting, and the proposal should be approved by the attending Shareholders who represent over two-thirds of the voting right.

#### **IV. THE DIVIDEND RETURN PLAN FOR THE NEXT THREE YEARS**

In the next three years upon the offering and listing of the Company's A Shares, the profit to be distributed by the Company in cash each year will not be less than 10% of the available-for-distribution profit achieved that year. The Company accepts supervision by all Shareholders, independent Directors, Supervisors and minority Shareholders' recommendations and supervision over the Company's dividend distribution. The formulation and modification of the Company's annual profit distribution plan for the next three years upon listing should be carried out in accordance with the relevant provisions of the Articles of Association and the aforementioned dividend return plan.

This plan is put forward by the Board of Directors, with comments made by independent Directors, and should be submitted to the general meeting for consideration. This plan should be put into force after the A Share Offering.

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## NOTICE OF 2016 ANNUAL GENERAL MEETING

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**Harbin Bank Co., Ltd.**  
**哈爾濱銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6138)**

### NOTICE OF 2016 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2016 annual general meeting (“AGM”) of Harbin Bank Co., Ltd. (the “Bank”) will be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China, at 8:30 a.m. on Friday, 19 May 2017 for the purpose of considering and, if thought fit, passing the following resolutions. Capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Bank dated 30 March 2017 (the “Circular”) unless otherwise specified.

#### ORDINARY RESOLUTIONS

1. To consider and approve the “Proposal on the 2016 Work Report of the Board of Directors”.
2. To consider and approve the “Proposal on the 2016 Work Report of the Board of Supervisors”.
3. To consider and approve the “Proposal on the 2016 Final Account Report”.
4. To consider and approve the “Proposal on the 2017 Financial Expense Budgets”.
5. To consider and approve the “Proposal on the 2016 Profit Distribution Plan”.
6. To consider and approve the “Proposal on the 2016 Annual Report”.
7. To consider and approve the “Proposal on the Appointment of Auditors for 2017”.

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## NOTICE OF 2016 ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTIONS

8. To consider and approve the “Proposal on Granting a General Mandate to Issue H Shares to the Board of Directors”, details of which are as follows:
- (1) Subject to the conditions set out below, the Board be granted an unconditional and general mandate to issue, allot and deal with additional H Shares in the share capital of the Bank and to make or grant offers, agreements or options in respect of such H Shares:
    - (a) save as in relation to offers, agreements or options made or granted by the Board during the Relevant Period (defined as below) which might require to be conducted or exercised after the end of the Relevant Period, the mandate shall not exceed the Relevant Period;
    - (b) the aggregate nominal value of H Shares of the Bank to be allotted and issued, or agreed (conditionally or unconditionally) to be allotted and issued (whether pursuant to an option or otherwise), by the Board shall not exceed 20% of the aggregate nominal value of the issued H Shares of the Bank at the date on which this resolution is passed at the AGM; and
    - (c) the Board will only exercise its power under the mandate mentioned above in accordance with the PRC Company Law (as amended from time to time) and the Hong Kong Listing Rules (as amended from time to time) and after obtaining the approvals of CSRC and/or other relevant PRC government authorities.
  - (2) The “**Relevant Period**” means the period from the date of passing this resolution until the earliest of:
    - (a) the conclusion of the next annual general meeting of the Bank following the passing of the relevant resolution;
    - (b) the expiration of the 12-month period following the passing of the relevant resolution; or
    - (c) the revocation or variation of the authority granted under the relevant resolution by a special resolution at a general meeting of the Bank.

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## NOTICE OF 2016 ANNUAL GENERAL MEETING

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- (3) After the issue of new H Shares pursuant to the relevant resolution, the Board or the person authorised by the Board is hereby authorised to:
- (a) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issuance of such new H Shares, including but not limited to determining the time and place of issuance, the specific issuance plan (including but not limited to the method of pricing, issuance price/price range, issuance size, target subscribers and engagement of intermediaries), making all necessary applications to the relevant authorities and entering into underwriting agreements (or any other agreements);
  - (b) determine the use of proceeds and make necessary filings and registrations with the relevant authorities in the PRC, Hong Kong and other jurisdictions; and
  - (c) increase the registered share capital of the Bank following the issuance of new H Shares and make such amendments to the Articles of Association as it thinks fit so as to reflect the corresponding changes in registered share capital, total share capital and shareholding structure of the Bank.
9. To consider and approve the “Proposal on Issuance of Non-Capital Financial Bonds”. The details for the issuance plan and authorisation issues are as follows:
- (1) Issuance plan
- (a) Size of the issuance: no more than RMB10 billion in aggregate of different types of non-capital financial bonds, subject to the market conditions to issue once or in several times;
  - (b) Nature of bonds: the repayment ranking of the principal and interest will be the same as the general liabilities of commercial banks, and will be senior to long-term subordinate debt of commercial banks, tier-2 capital instruments, hybrid capital bonds, other tier-1 capital instruments and unsecured commercial bank financial bonds of equity capital;
  - (c) Bonds type and maturity: bond types include but not limited to non-capital financial bonds such as ordinary financial bonds and/or special financial bonds for small and micro enterprises, special financial bonds for “agriculture, farmer and rural area” and green financial bonds. Each bond will have a term of no longer than 10 years. In the planning of issue scale and before the planning of issuance, the actual proportion and size of various types of bonds would be finalised according to the Bank’s actual demand, market conditions or investors’ level of subscription;

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## NOTICE OF 2016 ANNUAL GENERAL MEETING

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- (d) Coupon rate: the coupon rate of each bond can adopt a fixed rate or a variable rate or a combination of the two according to the proportion;
  - (e) Method of issuance: each issuance of bonds can adopt the method of public offering or private placing. The specific method of issuance would be determined by the Bank's demand and market conditions;
  - (f) Use of proceeds: different types of non-capital financial bonds have different specialised uses. Proceeds from ordinary financial bonds will be used to optimise the Bank's balance sheet structure pursuant to the applicable laws and as approved by regulatory authorities. Proceeds from special financial bonds for small and micro enterprises will be used for loans to be granted to small and micro enterprises to support their development; proceeds from special financial bonds for "agriculture, farmer and rural area" will be used for loans to be granted for "agriculture, farmer and rural area" in order to support the development of "agriculture, farmer and rural area" businesses; proceeds from green bonds will be used for loans to be granted for green industry projects including pollution reduction, energy conservation and comprehensive resources allocation in order to contribute to a sustainable development of the green economy; and
  - (g) Term of validity of the resolution: from the date on which the proposal on the issuance of non-capital financial bonds is passed at the AGM to 31 December 2019.
- (2) Authorisation issues
- (a) Details of authorisation: the Board has the right to decide on all matters relating to the issuance of non-capital financial bonds with absolute discretion, including but not limited to handling relevant regulatory application and approval matters, determining the type of bonds, the number and size of issuance, timing of issuance, substance of issuance, means of issuance, place of issuance, conditions, term, interest rate, price, currency, applying for listing and circulation of the bonds, arranging the repayment of the principal and interests, and signing and executing all the relevant legal documents;
  - (b) Term of authorisation: from the date on which the proposal is passed at the general meeting to 31 December 2019; and
  - (c) Authorisation and delegation: the Board delegates to the President and other personnel assigned by the President the authorisation to determine and handle, within the issuance size of no more than RMB10 billion, all specific matters relating to the issuance of non-capital financial bonds in accordance with the full authorisation granted to the Board by the general meeting.

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## NOTICE OF 2016 ANNUAL GENERAL MEETING

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10. To consider and approve the “Proposal on the Extension of the Validity Period of the Proposal on the Initial Public Offering and Listing of A Shares”.
11. To consider and approve the “Proposal on the Extension of the Validity Period of the Authorisation to the Board to Handle the Bank’s Application for the A Share Offering and Related Matters”.
12. To consider and approve the “Proposal on the Extension of the Validity Period of the Authorisation to the Board and Specific Personnel Further Authorised by the Board to Draft and Finalise the Open Commitment Letter”.
13. To consider and approve the “Proposal on the Future Dividend Return Plan of Harbin Bank Co., Ltd. (Draft)”.

By order of the Board of Directors  
**Harbin Bank Co., Ltd.**  
**Guo Zhiwen**  
*Chairman*

Harbin, China

30 March 2017

\* *Harbin Bank Co., Ltd. is not an authorised institution within the meaning of the Banking Ordinance (Chapter 155 of Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.*

*Notes:*

1. Additional information on the 2016 Work Report of the Board of Directors, the 2016 Work Report of the Board of Supervisors, the 2016 Final Account Report and the Future Dividend Return Plan of Harbin Bank Co., Ltd. (Draft) referred to in Resolutions.1, 2, 3 and 13 are set out in Annex A, Annex B, Annex C and Annex D to the Circular, respectively. Details of other resolutions are set out in Appendix I of the Circular.

**2. Closure of register of members**

In order to determine the shareholders who are entitled to attend and vote at the AGM, the H share register of members of the Bank will be closed from Wednesday, 19 April 2017 to Friday, 19 May 2017 (both days inclusive). Shareholders whose names appear on the H share register of members and domestic share register of members of the Bank on Wednesday, 19 April 2017 will be entitled to attend and vote at the AGM. The holders of H shares of the Bank who intend to attend and vote at the AGM must lodge all the transfer documents accompanied by 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) to process the registration not later than 4:30 p.m. on Tuesday, 18 April 2017.

**3. Registration procedures for attending the AGM**

Individual Shareholders who wish to attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual Shareholders shall produce their effective proof of identity and proxy form. A corporate Shareholder should attend the meeting by its legal representative or proxy appointed by the legal representative. A legal representative who wishes to attend the meeting should produce his identity card or other valid documents evidencing his/her capacity as a legal representative. If appointed 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.

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## NOTICE OF 2016 ANNUAL GENERAL MEETING

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#### 4. Notice of attendance

Shareholders who intend to attend the AGM in person or by proxy should return the reply slip in person, by post or by facsimile to Computershare Hong Kong Investor Services Limited (for the holders of H shares) or the Bank's Board of Directors' Office (for the holders of domestic shares) on or before Friday, 28 April 2017.

The Bank's Board of Directors' Office is located at No. 888 Shangjiang Street, Daoli District, Harbin 150070, Heilongjiang Province, China (Contact Person: Zhang Zhaowu, Tel: 86-451-86779933, Fax: 86-451-86779829).

The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555, Fax: (852) 2865 0990).

#### 5. Proxy

Shareholders entitled to attend and vote at the AGM is entitled to appoint one or more persons (whether such person is a shareholder or not) as his proxy or proxies to attend and vote on his 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 and at the same time with the instrument appointing the proxy at Computershare Hong Kong Investor Services Limited (for the holders of H shares) or the Bank's Board of Directors' Office (for the holders of domestic shares).

To be valid, the form of proxy 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 the holders of H shares) or the Bank's Board of Directors' Office (for the holders of domestic shares) not less than 24 hours before the designated time for the holding of the AGM.

Completion and return of a form of proxy will not preclude a shareholder from attending in person and voting at the AGM if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

#### 6. Publication of poll results

Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, each of the 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](http://www.hrbb.com.cn) and the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the general meeting.

#### 7. Other business

The AGM is estimated to last no longer than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own traveling, dining and accommodation expenses.

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## NOTICE OF 2017 SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING

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**Harbin Bank Co., Ltd.**  
**哈爾濱銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6138)**

### NOTICE OF 2017 SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2017 second class meeting of holders of domestic shares ("**Domestic Shareholders' Class Meeting**") of Harbin Bank Co., Ltd. (the "**Bank**") will be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China, at 9:30 a.m. on Friday, 19 May 2017 or immediately after the conclusion of the 2016 annual general meeting (whichever is later) for the purposes of considering and, if thought fit, passing the following resolutions. Capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Bank dated 30 March 2017 (the "**Circular**") unless otherwise specified.

#### **SPECIAL RESOLUTIONS**

1. To consider and approve the "Proposal on the Extension of the Validity Period of the Proposal on the Initial Public Offering and Listing of A Shares".
2. To consider and approve the "Proposal on Extension of the Validity Period of the Authorisation to the Board to Handle the Bank's Application for the A Share Offering and Related Matters".
3. To consider and approve the "Proposal on Extension of the Validity Period of the Authorization to the Board and Specific Personnel Further Authorized by the Board to Draft and Finalise the Open Commitment Letter".

By order of the Board of Directors  
**Harbin Bank Co., Ltd.**  
**Guo Zhiwen**  
*Chairman*

Harbin, China

30 March 2017

\* *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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# NOTICE OF 2017 SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING

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*Notes:*

1. Details of the above proposed resolutions are set out in Appendix I of the Circular.
2. Holders of domestic shares whose names appear on the domestic share register of members of the Bank on Wednesday, 19 April 2017 will be entitled to attend and vote at the Domestic Shareholders' Class Meeting.

**3. Registration procedures for attending the Domestic Shareholders' Class Meeting**

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 identity card or other valid documents evidencing his/her capacity as a legal representative. If appointed 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. Notice of attendance**

Holders of domestic shares who intend to attend the Domestic Shareholders' Class Meeting in person or by proxy should return the reply slip in person, by post or by facsimile to the Bank's Board of Directors' Office on or before Friday, 28 April 2017.

The address of the Bank's Board of Directors' Office is No. 888 Shangjiang Street, Daoli District, Harbin 150070, Heilongjiang Province, China (Contact Person: Zhang Zhaowu, Tel: 86-451-86779933, Fax: 86-451-86779829).

**5. Proxy**

Any holder of domestic shares entitled to attend and vote at the Domestic Shareholders' Class Meeting 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 and at the same time with the instrument appointing the proxy at the Bank's Board of Directors' Office.

To be valid, the form of proxy together with the notarised power of attorney or other authorisation document (if any) must be delivered to Bank's Board of Directors' Office not less than 24 hours before the designated time for the holding of the Domestic Shareholders' Class Meeting or any adjourned meeting thereof.

Completion and return of a form of proxy will not preclude any holder of domestic shares from attending in person and voting at the Domestic Shareholders' Class Meeting or any adjournment thereof if he/she so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

**6. 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, each of the 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](http://www.hrbb.com.cn) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the Domestic Shareholders' Class Meeting.

**7. Other business**

The Domestic Shareholders' Class Meeting is estimated to last no longer than half a day. Holders of domestic shares who attend the meeting in person or by proxy shall bear their own traveling and accommodation expenses.

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## NOTICE OF 2017 SECOND H SHAREHOLDERS' CLASS MEETING

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**Harbin Bank Co., Ltd.**  
**哈爾濱銀行股份有限公司\***

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6138)**

### NOTICE OF 2017 SECOND H SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2017 second class meeting of holders of H shares (“**H Shareholders’ Class Meeting**”) of Harbin Bank Co., Ltd. (the “**Bank**”) will be held at Conference Hall 3, Harbin Shangri-La Hotel, 555 Youyi Road, Daoli District, Harbin, Heilongjiang, China, at 10:00 a.m. on Friday, 19 May 2017 or immediately after the conclusion of the 2017 second class meeting of holders of domestic shares (whichever is later) for the purposes of considering and, if thought fit, passing the following resolutions. Capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Bank dated 30 March 2017 (the “**Circular**”) unless otherwise specified.

#### SPECIAL RESOLUTIONS

1. To consider and approve the “Proposal on the Extension of the Validity Period of the Proposal on the Initial Public Offering and Listing of A Shares”.
2. To consider and approve the “Proposal on Extension of the Validity Period of the Authorisation to the Board to Handle the Bank’s Application for the A Share Offering and Related Matters”.
3. To consider and approve the “Proposal on Extension of the Validity Period of the Authorization to the Board and Specific Personnel Further Authorized by the Board to Draft and Finalise the Open Commitment Letter”.

By order of the Board of Directors  
**Harbin Bank Co., Ltd.**  
**Guo Zhiwen**  
*Chairman*

Harbin, China

30 March 2017

\* *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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## NOTICE OF 2017 SECOND H SHAREHOLDERS' CLASS MEETING

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*Notes:*

1. Details of the above proposed resolutions are set out in Appendix I of the Circular.

**2. Closure of register of members**

In order to determine the holders of H shares who are entitled to attend and vote at the H Shareholders' Class Meeting, the H share register of members of the Bank will be closed from Wednesday, 19 April 2017 to Friday, 19 May 2017 (both days inclusive), during which period no share transfer will be registered. Shareholders whose names appear on the H share register of members of the Bank on Wednesday, 19 April 2017 will be entitled to attend and vote at the H Shareholders' Class Meeting. The holders of H shares of the Bank who intend to attend and vote at the H Shareholders' Class Meeting must lodge all the transfer documents accompanied by 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) to process the registration not later than 4:30 p.m. on Tuesday, 18 April 2017.

**3. Registration procedures for attending the H Shareholders' Class Meeting**

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 identity card or other valid documents evidencing his/her capacity as a legal representative. If appointed 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. Notice of attendance**

Holders of H shares who intend to attend the H Shareholders' Class Meeting in person or by proxy should return the reply slip in person, by post or by facsimile to Computershare Hong Kong Investor Services Limited on or before Friday, 28 April 2017.

The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555, Fax: (852) 2865 0990).

**5. Proxy**

Any holder of H shares entitled to attend and vote at the H Shareholders' Class Meeting 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 and at the same time with the instrument appointing the proxy at Computershare Hong Kong Investor Services Limited.

To be valid, the form of proxy together with the notarised power of attorney or other authorisation document (if any) must be delivered to Computershare Hong Kong Investor Services Limited not less than 24 hours before the designated time for the holding of the H Shareholders' Class Meeting or any adjourned meeting thereof.

Completion and return of a form of proxy will not preclude any holder of H shares from attending in person and voting at the H Shareholders' Class Meeting or any adjournment thereof if he/she so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

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## NOTICE OF 2017 SECOND H SHAREHOLDERS' CLASS MEETING

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**6. 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, each of the 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](http://www.hrbb.com.cn) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the H Shareholders' Class Meeting.

**7. Other business**

The H Shareholders' Class Meeting is estimated to last no longer than half a day. Holders of H shares who attend the meeting in person or by proxy shall bear their own traveling and accommodation expenses.