Harbin Bank Co., Ltd.
哈爾濱銀行股份有限公司*

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

(Stock Code: 6138)

DISCLOSEABLE TRANSACTION
DISPOSAL OF 16% SHAREHOLDING IN GUANGDONG HUAXING BANK

On 21 October 2016, the Bank and Keenstar Holding entered into the Equity Transfer Contract, pursuant to which the Bank agreed to sell and Keenstar Holding agreed to purchase, the 16% shareholding in total held by the Bank in Guangdong Huaxing Bank for a consideration of RMB1,520 million (equivalent to approximately HK$1,745.58 million). Completion of the Transaction is conditional upon obtaining the approval of competent institutions including the banking regulatory authority in China. The Transaction will not proceed or complete without the relevant approvals.

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction of the Bank and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 21 October 2016, the Bank and Keenstar Holding entered into the Equity Transfer Contract after completing the open bidding process on a financial assets exchange, pursuant to which the Bank agreed to sell and Keenstar Holding agreed to purchase, the 16% shareholding in total held by the Bank in Guangdong Huaxing Bank, for a consideration of RMB1,520 million (equivalent to approximately HK$1,745.58 million).

THE EQUITY TRANSFER CONTRACT

The principal terms of the Equity Transfer Contract are as follows:

Date

21 October 2016

Parties

(1) the Bank (as the seller)

(2) Keenstar Holding (as the Purchaser)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner are third parties independent of the Bank and its Connected Persons.

The Transaction

The disposal of the 16% shareholding in total in Guangdong Huaxing Bank. Upon completion of the Transaction, the Bank will cease to hold any shareholding in Guangdong Huaxing Bank.

Consideration and payment

Pursuant to the Equity Transfer Contract, the consideration of the Transaction is RMB1,520 million (equivalent to approximately HK$1,745.58 million). The amount of the consideration is determined in the open bidding process of the CFAE based on the appraisal results contained in the relevant assets appraisal report issued by an independent valuer (using 31 December 2015 as the valuation reference date). The Purchaser shall pay the total consideration to the bank account designated by the CFAE within five working days after the Equity Transfer Contract takes effect. Within three working days after the change of title registration of the Sale Shares under the name of the Purchaser, the Bank may transfer the total consideration (including the current interest accrued) from the bank account to a bank account designated by the Bank.

Completion

Completion of the Transaction is conditional upon obtaining the approval of competent institutions including the banking regulatory authority in China.

In the event that the Transaction fails to obtain the approval of competent institutions including the banking regulatory authority in China, the Transaction will not proceed or complete.

INFORMATION ON GUANGDONG HUAXING BANK

Guangdong Huaxing Bank is established in March 1997, the current registered capital of which is RMB5,000 million. It is principally engaged in commercial banking business.

Based on the audited consolidated financial statement of Guangdong Huaxing Bank prepared in accordance with the generally accepted accounting principles in the PRC, the net profits of Guangdong Huaxing Bank (both before and after tax and extraordinary items) for the years ended 31 December 2015 and 2014 were as follows:

	Year ended 31 December 2015 *RMB million*	**Year ended 31 December 2014** *RMB million*
Profit before tax and extraordinary items	384.98	120.46
Profit after tax and extraordinary items	307.60	108.43

The audited net asset value and the audited total asset value of Guangdong Huaxing Bank as at 31 December 2015 was approximately RMB5,871.20 million and RMB106,032.34 million, respectively.

FINANCIAL EFFECTS

It is estimated by the Bank that the Transaction will bring along an investment gain before tax (including transfer from reserve) of approximately RMB441 million, which is calculated based on the net disposal proceeds after deducting relevant costs and expenses in connection with the Transaction and carrying amount of the Sale Shares of approximately RMB1,156 million on the book of the Bank as at 31 December 2015.

It is estimated that the net proceeds will be utilized to supplement general working capital and capital of the Bank and for future business development.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Since the development of the Bank has stepped into a new stage, and there has been new changes in the development of banking sector in China, continuing to hold shares in Guangdong Huaxing Bank is no longer in pace with the development of the Bank and the trend in the banking sector. Disposal of the Sale Shares facilitates the realization of the Bank's featured, conglomerated and internationalized development, enhances return on equity and capital adequacy level and is in line with the banking sector development trend.

The Directors (including the independent non-executive Directors) are of the view that the Transaction is fair and reasonable and in the interests of the Bank and the shareholders of the Bank as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction of the Bank and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The Bank is a city commercial bank emerging in the northeast region of China in recent years and is principally engaged in commercial banking business.

Keenstar Holding is a diversified company with business operations in cultural education, urban water supply, tourism, urban upgrade and property management.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

"Bank"	Harbin Bank Co., Ltd. (哈爾濱銀行股份有限公司), a joint stock limited company established on 25 July 1997 in accordance with the PRC Company Law, and the H Shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 06138)
"CFAE"	Beijing Financial Assets Exchange
"Connected Persons"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of directors of the Bank
"Equity Transfer Contract"	the Equity Transfer Contract Concerning Financial Enterprises' Non-listed State-owned Equity (《金融企業非上市國有產權交易合同》) dated 21 October 2016 entered into between the Bank and Keenstar Holding in relation to the Transaction
"Guangdong Huaxing Bank"	Guangdong Huaxing Bank Co., Ltd. (廣東華興銀行股份有限公司), a joint stock limited company established in accordance with the PRC Company Law
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Keenstar Holding" or "Purchaser"	Keenstar Holding Company Limited, a limited liability company established in accordance with the PRC Company Law
"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
"PRC"	the People's Republic of China, excluding for the purpose of this announcement Hong Kong, the Macao Special Administrative Region and Taiwan

"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	the total 16% shareholding held by the Bank in Guangdong Huaxing Bank sold pursuant to the Equity Transfer Contract
"Transaction"	the sale of the Sale Shares by the Bank to Keenstar Holding pursuant to the Equity Transfer Contract

For reference only, an exchange rate of HK$1.00 to RMB0.87077 has been used for the conversion of Renminbi into Hong Kong dollars in this announcement.

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

Harbin, the PRC, 28 October 2016

As at the date of this announcement, the Board of Directors of the Bank comprises Guo Zhiwen, Liu Zhuo and Zhang Qiguang, as executive directors; Zhang Taoxuan, Chen Danyang, Cui Luanyi and Ma Pao-Lin as non-executive directors; Zhang Shengping, He Ping, Du Qingchun, Wan Kam To and Kong Siu Chee, as independent non-executive directors.

* *Harbin Bank Co., Ltd. is not an authorized 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 authorized to carry on banking/deposit-taking business in Hong Kong.*