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中國民生銀行股份有限公司
CHINA MINSHENG BANKING CORP., LTD.

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

(Stock Code: 01988)

UPDATE ON CONNECTED TRANSACTION

**RESOLUTIONS OF THE SEVENTEENTH EXTRAORDINARY
MEETING OF THE SIXTH SESSION OF THE BOARD**

RISKS ALERT

1. There are uncertainties as to the execution and approval of the agreements in connection with the acquisition of new Quam Shares. Investors are advised to pay attention to the investment risk.
2. On or before 12 May 2016, the new share subscription agreement or supplementary agreement to be entered into by CMBC International and Quam is required to be approved by the CBRC. Apart from this, there are other conditions precedent required to be fulfilled. Completion date and price shall be agreed by both parties through negotiation.

References are made to the connected transaction announcement dated 28 August 2015 and the update on connected transaction announcement dated 2 March 2016 of China Minsheng Banking Corp., Ltd. (the “**Company**”) regarding the subscription of new Shares of Quam Limited (“**Quam**”) by CMBC International Holdings Limited (“**CMBC International**”), a wholly-owned subsidiary of the Company, and possible mandatory offers. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meaning as those defined in the afore-mentioned announcements.

The seventeenth extraordinary meeting (the “**Meeting**”) of the sixth session of the Board of the Company was held onsite on 4 March 2016 in Beijing. The notice of the Meeting was given by telephone. The Meeting was convened and chaired by Mr. Hong Qi, the chairman of the Board. 18 Directors should attend and vote at the Meeting among which, 8 Directors attended the Meeting in person, Wu Di and Cheng Hoi-chuen attended by telephone and 3 Directors by proxy. Zhang Hongwei and Lu Zhiqiang, the vice chairmen of the Board, entrusted Hong Qi, the chairman of the Board, in writing to vote on their behalf while Liu Yonghao, the vice chairman of the Board, entrusted Wang Hang, a Director, in writing to vote on his behalf. 5 Directors were absent from the Meeting, namely Wang Junhui, Guo Guangchang, Ba Shusong, Qin Rongsheng and You Lantian. All 6 supervisors attended the Meeting in person. The Meeting was held in compliance with the Company Law of the PRC and the Articles of Association of China Minsheng Banking Corp., Ltd. and the resolutions passed at the Meeting were lawful and valid.

The following resolutions were considered and approved at the Meeting:

RESOLUTIONS ON THE REVISED PLAN OF THE ACQUISITION OF QUAM LIMITED BY CMBC INTERNATIONAL HOLDINGS LIMITED

- (1) To approve CMBC International to negotiate with the Co-investors for a revised transaction plan

Voting result: for: 12, against: 0, abstain: 0

- (2) To approve the revised transaction plan subject to the authorization of the Board

Voting result: for: 12, against: 0, abstain: 0

- (3) To approve the finalized transaction plan for the subscription of new Quam Shares agreed by CMBC International, the related parties and Co-investors

Voting result: for: 8, against: 0, abstain: 0

Liu Yonghao, the vice chairman of the Board, Wang Hang, Wu Di and Wang Yugui, the Directors, recused from voting.

- (4) To authorize Mr. Ko Po Ming (i) to enter into a revised consortium agreement (if any) with the related parties and investors; (ii) to enter into a revised subscription agreement and other relevant legal documents with Quam; (iii) to enter into a placing agreement (if placement of shares is required to maintain the public float after a general offer); and (iv) to deal with the application for approval of and filing of documents with the regulatory authorities

Voting result: for: 12, against: 0, abstain: 0

- (5) To authorize Wang Hang, Director of the Company, and Ko Po Ming, the director and chief executive officer of CMBC International, to jointly: (1) review the disclosure documents in relation to the transaction on behalf of the Board and all Directors, make reasonable enquiries regarding information contained in the documents and verify the accuracy and completeness of the contents, and present standard statement for the disclosure documents as required by the relevant regulations and laws of Hong Kong, if thought fit at their discretion; and (2) amend, vary or supplement the disclosure documents in relation to the transaction on behalf of the Board and all Directors, if thought fit at their discretion; and (3) in respect of disclosures only applicable to Minsheng Bank, authorize Wang Hang, Director of the Company, (i) to review the disclosure documents in relation to the transaction on behalf of the Board and all Directors, make reasonable enquiries regarding information contained in the documents and verify the accuracy and completeness of the contents, if thought fit at his discretion; and (ii) to amend, vary or supplement the disclosure documents in relation to the transaction on behalf of the Board and all Directors, if thought fit at his discretion.

Voting result: for: 12, against: 0, abstain: 0

- (6) To approve CMBC International not to proceed with the subscription agreement and the acquisition of Quam if no approval of CBRC is obtained for CMBC International and Quam to enter into a new subscription agreement or a supplemental subscription agreement on or before 12 May 2016.

Voting result: for: 12, against: 0, abstain: 0

On 3 March 2016, the Company received an *Enquiries on the Progress of the Connected Transaction of China Minsheng Banking Corp., Ltd.* from Shanghai Stock Exchange (SSE Official Letter [2016] No.0207). In response, Board Meeting was held for discussion of the enquiries and the above resolutions were adopted. Replies to the enquiry are as follows:

I. Please explain the relations among the three subscription agreements and whether all three subscription agreements have expired

As disclosed in the connected transaction announcement published by the Company on 28 August 2015, CMBC International, a wholly-owned subsidiary of the Company, and the Co-investors have entered into the First Subscription Agreement with Quam to subscribe for the new Quam Shares. Pursuant to the First Subscription Agreement, the subscription price is HKD0.565 per new Quam Share. CMBC International and Co-investors will subscribe for 23,054,875,391 new Quam Shares for an aggregate consideration of HKD13,026,004,595.92, of which 8,867,256,637 new Quam Shares will be subscribed by CMBC International for consideration of approximately HKD5,009,999,999.91, and 14,187,618,754 new Quam Shares to be subscribed by Co-investors for consideration of approximately HKD8,016,004,596.01. On the same day, the employees of CMBC International and Quam entered into the Second Subscription Agreement to subscribe for 156,000,000 new Quam Shares for an aggregate consideration of HKD88,140,000. According to the Second Subscription Agreement, the subscription price is HKD0.565 per new Quam Share. According to the Third Subscription Agreement, 164,000,000 new Quam Shares will be subscribed by King Ace Services Limited, a subsidiary of the trustee of Quam, for an aggregate consideration of HKD92,660,000.

The completion of the Second Subscription Agreement and the Third Subscription Agreement is conditional on the completion of the First Subscription Agreement. Hence, the Second Subscription Agreement and the Third Subscription Agreement will terminate upon the termination of the First Subscription Agreement.

As certain conditions precedent (including the approval from the Securities and Futures Commission for the change in substantial shareholder of a licensed corporation to CMBC International as required under the Securities and Futures Ordinance as well as granting by the Hong Kong Stock Exchange of the listing of and permission to deal in the Subscription Shares) for CMBC International to complete the transaction were not fulfilled as at the Long Stop Date, the First Subscription Agreement has ceased to be of effect and terminated, and hence the Second Subscription Agreement and the Third Subscription Agreement have also ceased to be of effect and terminated.

II. Please disclose the conditions precedent of the three subscription agreements and the Long Stop Date for fulfilling the conditions precedent

The Long Stop Date for fulfilling the conditions precedent of the three subscription agreements was six months from the date of the First Subscription Agreement (28 August 2015), i.e. 28 February 2016. The conditions precedent of the First Subscription Agreement are as follows:

- (1) the passing by the shareholders general meeting of Quam of resolution(s) approving (a) the Subscription pursuant to the First Subscription Agreement and the Employees Subscription Agreements and the transactions contemplated thereunder; and (b) the allotment and issue of the Subscription Shares in accordance with the requirements of the Listing Rules, the articles of association of Quam and applicable law;
- (2) the relevant consents and approvals being granted by the CBRC and CSRC and the relevant filing being made to the State Administration of Foreign Exchange of the PRC for the First Subscription and related transactions and the Offers, if necessary;
- (3) the granting of approval by the Securities and Futures Commission for change in substantial shareholders of a licensed corporation as required by the Securities and Futures Ordinance in connection with the transaction under the First Subscription and the Offers;
- (4) listing of and permission to deal in all of the Subscription Shares being granted by the Hong Kong Stock Exchange;
- (5) CMBC International having received a certified copy of the board resolution(s) of Quam in relation to the approval of the First Subscription Agreement and other incidental matters thereto and the issuance of the First Subscription Shares;
- (6) Quam having complied with its obligations (including not having breached any of its warranties the result of which may have a material adverse effect on Quam Group) and otherwise having performed in all material respects of its obligations contained in the First Subscription Agreement which are required to be performed or complied with by it on or before CMBC International Completion;

- (7) none of the licenses of Quam having been revoked nor any governmental authority having notified Quam Group that they will or may be revoked; and
- (8) the Quam Shares not having been suspended from trading on the Hong Kong Stock Exchange for 14 consecutive trading days or more (save for any temporary suspension in connection with transactions contemplated under the First Subscription Agreement or such other period as the Offeror may agree) and Quam not having been put on any list of the Hong Kong Stock Exchange for delisting purposes.

According to the First Subscription Agreement, the condition precedent to the Co-investors Completion is CMBC International Completion becoming unconditional on or before the Long Stop Date (i.e. 28 February 2016).

The condition precedent to the Second Subscription Agreement and Third Subscription Agreement is CMBC International Completion becoming unconditional on or before the Long Stop Date (i.e. 28 February 2016).

III. Please disclose the conditions precedent unfulfilled and reasons thereof

In respect of the approval from the Securities and Futures Commission for the change in substantial shareholder of a licensed corporation to CMBC International as required under the Securities and Futures Ordinance as well as granting by the Hong Kong Stock Exchange of the listing of and permission to deal in the Subscription Shares (see items (3) and (4) under question II above), as of the Long Stop Date, the Securities and Futures Commission and Hong Kong Stock Exchange were still considering the applications in this regard and no approval was granted, therefore such conditions precedent were not fulfilled by the Long Stop Date.

IV. Please explain the subsequent discussion between CMBC International and Quam and the purpose of the discussion. If the purpose of the negotiation is to proceed with the acquisition, please disclose the conditions precedent of the acquisition and the possibility of fulfilment of the conditions.

Subsequent arrangements of CMBC International and Quam: to re-determine the price and completion date of the acquisition of new Quam Shares which shall be agreed by both parties through negotiaion.

Goal: to enter into a supplementary subscription agreement as soon as possible.

Conditions precedent of continuing the subscription:

1. The consent of the Securities and Futures Commission of the initial offer proposed by CMBC International remains valid;
2. The CBRC approves the revised acquisition plan;
3. The Securities and Futures Commission approves CMBC International as a substantial shareholder of Quam;

4. The Hong Kong Stock Exchange approves the listing of the new shares of Quam; and
5. The shareholders' general meeting of Quam approves the acquisition of the new Quam Shares by CMBC International.

Analysis on the possibility of fulfilment of the conditions precedent:

On or before 12 May 2016, the new share subscription agreement or supplementary agreement to be entered into by CMBC International and Quam is required to be approved by the CBRC. Apart from this, there are other conditions precedent required to be fulfilled. Completion date and price shall be agreed by both parties through negotiation. The Board of the Company has authorized Mr. Ko Po Ming, a director and the chief executive officer of CMBC International, to negotiate in respect of the proposed acquisition of Quam Shares. There are uncertainties as to the execution and approval of the agreements in connection with the acquisition of new Quam Shares. Investors are advised to pay attention to the investment risk.

By order of the Board
CHINA MINSHENG BANKING CORP., LTD.
Hong Qi
Chairman

Beijing, PRC
4 March 2016

As at the date of this announcement, the executive directors of the Company are Mr. Hong Qi, Mr. Liang Yutang and Mr. Zheng Wanchun; the non-executive directors are Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Liu Yonghao, Mr. Wang Yugui, Mr. Wang Hang, Mr. Wang Junhui, Mr. Wu Di, Mr. Guo Guangchang and Mr. Yao Dafeng; and the independent non-executive directors are Mr. Qin Rongsheng, Mr. Wang Lihua, Mr. Han Jianmin, Mr. Cheng Hoi-chuen, Mr. Ba Shusong and Ms. You Lantian.