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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)

IMPACTS ON DILUTION OF CURRENT RETURNS OF THE PROPOSED NON-PUBLIC ISSUANCE OF PREFERENCE SHARES AND RELEVANT REMEDIAL MEASURES

References are made to the announcements of China Minsheng Banking Corp., Ltd. (the “**Company**” or the “**Bank**”) with respect to the proposed issuance of domestic and offshore preference shares dated 11 December 2015.

The 12th extraordinary meeting (the “**Meeting**”) of the sixth session of the board of directors (the “**Board**”) of the Company was held in Beijing on site on 11 December 2015.

The following resolution was considered and approved at the Meeting:

Proposal in respect of Impacts on Dilution of Current Returns of Non-public Issuance of Preference Shares by China Minsheng Banking Corp., Ltd. and relevant Remedial Measures

In accordance with the Opinions of the General Office of the State Council on Further Strengthening the Protection of Legitimate Rights and Interests of Small and Medium Investors in Capital Market (Guobanfa [2013] No. 110) where a listed company carries out refinancing activities or merger, acquisition and reorganization that may cause dilution to the current returns of shareholders, it shall undertake and implement measures to recover the dilution to returns.

As the holders of preference shares are entitled to receive their profit distribution of the Company prior to the ordinary shareholders at an agreed dividend rate, without taking into account of any return generated from the proceeds raised, the issuance of preference shares will dilute the current returns attributable to ordinary shareholders, which will result in decreases in the earnings per share

and return on net assets attributable to the ordinary shareholders of the parent company assuming all other factors remain constant.

Accordingly, the Company plans to improve the medium-to-long-term returns of shareholders and minimize the impact of the immediate dilution of current returns attributable to shareholders by implementing the following measures:

(1) Further strengthen capital management and optimize resources allocation

The Company will adhere to the principles of capital constraints and improve the audit system of capital utilization to establish a budget assessment system mainly based on capital adequacy ratio. In addition, the Company will strengthen its capital management through various policies to maintain the orderly increase in assets of different operating units and reduce lock-in capital.

(2) Grasp opportunities to support business development

The Company will leverage on its advantages in business model and management mechanisms to seize opportunities arising from the development of mixed economy, new urbanization and industry upgrading through reforms, innovation and proper approaches. In addition, the Company will strengthen the planning and cooperation among different business lines to develop regional distinctive business and services for small business finance and community finance as well as the industry chains and supply chains.

(3) Deepen management reform and innovation

By optimizing the coordination between departments and their operating models, the Company enhanced its innovative management model and expanded the coverage and types of application of the strategic management tools. The Company also promoted the development of information technology systems by exploring business models to integrate information technologies, such as internet and big data, into our financial services so as to improve our refined management system.

(4) Continuously enhance comprehensive risk control

The Bank improved the measurement, identification and alert of risks by strengthening its compliance, restricting the increase of non-performing loans and putting more efforts to the recovery and disposal of non-performing assets to preserve the quality of its assets.

This proposal shall be submitted as an ordinary resolution for consideration and approval at the shareholders' general meeting upon being approved by the Board. At the same time, it will be proposed to the shareholders' general meeting to authorize the Board to make necessary amendments or supplements to the undertakings to supplement current returns of shareholders when regulatory authorities specify their regulatory requirements to supplement current returns of shareholders after the issuance of the preference shares.

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

Beijing, PRC
11 December 2015

As at the date of this announcement, the executive directors of the Company are Mr. Hong Qi and Mr. Liang Yutang; 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.