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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)



民生商銀國際控股有限公司
CMBC International Holdings Limited
(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

UPDATE ON CONNECTED TRANSACTION AND CLOSE OF OFFER PERIOD IN RESPECT OF QUAM LIMITED

References are made to the connected transaction announcement dated 28 August 2015 and the update on connected transaction announcements dated 2 March 2016 and 4 March 2016 of China Minsheng Banking Corp., Ltd. (“**China Minsheng Bank**”) regarding matters related to the possible subscription of new shares of Quam Limited (“**Quam**”) by CMBC International Holdings Limited (“**CMBC International**”), a wholly-owned subsidiary of China Minsheng Bank (the “**Possible Subscription**”), and possible mandatory offers. Unless the context otherwise requires, capitalised terms in this joint announcement shall have the same meaning as those defined in the aforementioned announcements.

Summary of the First Subscription Agreement, the Second Subscription Agreement and the Third Subscription Agreement (the “Three Subscription Agreements”)

As disclosed in the connected transaction announcement published by China Minsheng Bank on 28 August 2015, CMBC International, a wholly-owned subsidiary of China Minsheng Bank, 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 the 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 an aggregate consideration of approximately HKD5,009,999,999.91, and 14,187,618,754 new Quam Shares will be subscribed by Co-investors for an aggregate 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, an additional 164,000,000 new Quam Shares will be subscribed by King Ace Services Limited, an investment asset holding company wholly-owned by the trustee of Quam, for an aggregate consideration of HKD92,660,000.

Conditions Precedent to the Three Subscription Agreements

The Long Stop Date for fulfilling the conditions precedent to 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 to the First Subscription Agreement are as follows:

- (1) the passing of resolution(s) by the shareholders of Quam in a general meeting of Quam 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, its bye-laws 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 transactions contemplated thereunder and the Offers, if necessary;
- (3) the granting of approval by the Securities and Futures Commission for change in substantial shareholders of a licenced 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 duly approving 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 with all 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 CMBC International 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 the Third Subscription Agreement is CMBC International Completion becoming unconditional on or before the Long Stop Date (i.e. 28 February 2016).

Termination of the Three Subscription Agreements

As disclosed in the announcement published by China Minsheng Bank on 4 March 2016, as the abovementioned conditions precedent (3) and (4) to the First Subscription Agreement had not been fulfilled as at the Long Stop Date (i.e. 28 February 2016), the First Subscription Agreement ceased to be of effect and terminated on 28 February 2016. The completion of the Second Subscription Agreement and the Third Subscription Agreement is conditional on the completion of the First Subscription Agreement. Hence, upon the cessation and termination of effect of the First Subscription Agreement, the Second Subscription Agreement and the Third Subscription Agreement also ceased to be of effect and terminated.

Subsequent discussions in relation to the Possible Subscription

Following the termination of the Three Subscription Agreements, CMBC International and Quam were in continuous discussions in respect of new subscription terms of the Possible Subscription. In relation to the entering into of any new share subscription agreement or supplemental subscription agreement for the Possible Subscription, CMBC International, having considered the implications of Rule 31.1(a) of the Takeovers Code, made an application to the Securities and Futures Commission to seek for its consent. The Executive has subsequently granted the consent pursuant to Rule 31.1(a) of the Takeovers Code.

Termination of the Possible Subscription and close of offer period

Given that CMBC International and Quam have not agreed on the terms of the Possible Subscription (including but not limited to the subscription price) as of the date of this joint announcement, CMBC International will not proceed with the Possible Subscription and will therefore not proceed with the Offers. According to the Takeovers Code, the relevant offer period in respect of Quam has closed as of 12 May 2016. As a result of the termination of the Possible Subscription and close of offer period, the abovementioned consent granted by the Executive pursuant to Rule 31.1(a) of the Takeovers Code is no longer applicable.

The termination of discussions between CMBC International, a wholly-owned subsidiary of China Minsheng Bank, and Quam in relation to the Possible Subscription has no material adverse effect on China Minsheng Bank. Since the Three Subscription Agreements have terminated and ceased to be of effect, there is no material legal risk to China Minsheng Bank either.

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

By order of the board of directors
CMBC International Holdings Limited
Director and Chief Executive Officer
Ko Po Ming

Beijing, PRC
12 May 2016

As at the date of this joint announcement, the executive directors of China Minsheng Bank 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.

The directors of China Minsheng Bank jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of CMBC International are Mr. Hong Qi, Mr. Wang Hang, Mr. Ko Po Ming and Mr. Wong Stacey Martin.

The directors of CMBC International jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.