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If you have sold or transferred all your shares in China Minsheng Banking Corp., Ltd. (the “Company”), you should at once hand this circular and the relevant forms of proxy and reply slips dispatched by the Company on 18 March 2011 to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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中國民生銀行股份有限公司

CHINA MINSHENG BANKING CORP., LTD.

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

(Stock Code: 01988)

**PROPOSAL TO ISSUE A SHARE CONVERTIBLE BONDS
AND
PROPOSAL TO ISSUE NEW H SHARES**

A letter from the Board of the Company is set out on pages 3 to 25 of this circular.

Notices convening the EGM and Class Meetings of the Company, together with the relevant reply slips and proxy forms, were dispatched to the Shareholders on 18 March 2011.

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DEFINITIONS

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

“A Share(s)”	domestic ordinary share(s) with nominal value of RMB1.00 each issued by the Company which is/are subscribed for by domestic investors and are listed for trading on the Shanghai Stock Exchange
“A Shareholder(s)”	holder(s) of A Shares
“A Share Class Meeting”	the class meeting proposed to be convened by the Company for A Shareholders in relation to issues referred to in this circular
“Announcement Date”	25 February 2011, on which the Company published an announcement relating to the resolution of the Board in connection with the proposed issuance of A Share Convertible Bonds and the proposed issuance of new H Shares
“Associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Board”	board of directors of the Company
“CB Conversion Price”	the price at which the new A Shares will be issued upon conversion of the Convertible Bonds, as may be adjusted from time to time
“CB Holder(s)”	holder(s) of the Convertible Bonds
“CBRC”	China Banking Regulatory Commission
“Company”	China Minsheng Banking Corp., Ltd., a joint stock limited company incorporated in the PRC with limited liability in accordance with the Company Law, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
“Company Law”	the Company Law of the PRC
“Convertible Bonds” or “CB”	convertible corporate bonds in the total amount of not more than RMB20 billion which are convertible into new A Shares, proposed to be issued by the Company in the PRC
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting”	an extraordinary general meeting proposed to be convened by the Company in relation to the issues referred to in this circular
“Group”	the Company and its subsidiaries

DEFINITIONS

“H Share(s)”	overseas listed foreign invested share(s) with nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“H Share Class Meeting”	the class meeting proposed to be convened by the Company for H Shareholders in relation to the issues referred to in this circular
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	1 April 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for included herein
“PRC”	The People’s Republic of China, but for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	registered holder(s) of Share(s) of the Company
“%”	percentage

In this circular, the exchange rate between RMB and HK\$ is HK\$1.00 to RMB0.84.

LETTER FROM THE BOARD



中国民生银行

CHINA MINSHENG BANKING CORP., LTD.

中國民生銀行股份有限公司

CHINA MINSHENG BANKING CORP., LTD.

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

(Stock Code: 01988)

Directors:

Mr. Dong Wenbiao (*Chairman and Executive Director*)
Mr. Hong Qi (*President and Executive Director*)
Mr. Liang Yutang (*Vice President and Executive Director*)
Mr. Zhang Hongwei (*Vice Chairman and Non-executive Director*)
Mr. Lu Zhiqiang (*Vice Chairman and Non-executive Director*)
Mr. Liu Yonghao (*Vice Chairman and Non-executive Director*)
Mr. Wang Yugui (*Non-executive Director*)
Mr. Chen Jian (*Non-executive Director*)
Ms. Wong Hei (*Non-executive Director*)
Mr. Shi Yuzhu (*Non-executive Director*)
Mr. Wang Hang (*Non-executive Director*)
Mr. Wang Junhui (*Non-executive Director*)
Mr. Liang Jinquan (*Independent non-executive Director*)
Mr. Wang Songqi (*Independent non-executive Director*)
Mr. Andrew Wong (*Independent non-executive Director*)
Mr. Qin Rongsheng (*Independent non-executive Director*)
Mr. Wang Lihua (*Independent non-executive Director*)
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8 April 2011

Dear H Shareholder(s),

PROPOSAL TO ISSUE A SHARE CONVERTIBLE BONDS AND PROPOSAL TO ISSUE NEW H SHARES

INTRODUCTION

Reference is made to the announcement of the Company dated 25 February 2011 relating to the resolution of the Board with regard to the proposed issuance of A Share Convertible Bonds of no more than RMB20 billion and issuance of not more than 1,650,852,240 H Shares, representing not more than 40% of the total issued 4,127,130,600 H Shares as at 25 February 2011. The issuance of A Share Convertible Bonds and new issuance of H Shares will both be subject to approval by the CBRC and the Shareholders, as well as the approval of the CSRC.

This circular aims to provide you with further information on the issuance of A Share Convertible Bonds and new H Shares, and other information as required by the Hong Kong Listing Rules, to enable you to make an informed decision to vote for or against the following resolutions relating to the issuance of A Share Convertible Bonds and new H Shares at the EGM and H Share Class Meeting (as the case may be).

LETTER FROM THE BOARD

1. To consider and approve the resolution in respect of the issuance of A Share Convertible Bonds by the Company:

“THAT:

the following items of the issuance of A Share Convertible Bonds of the Company be and are hereby individually approved and be implemented upon the approvals of relevant government authorities in the PRC:

- (1) Type of securities to be issued
- (2) Issue size
- (3) Par value and issue price
- (4) Term
- (5) Interest rate
- (6) Method and timing of interest payment
- (7) Conversion period
- (8) Determination and adjustment of the CB Conversion Price
- (9) Downward adjustment to CB Conversion Price
- (10) Method for determining the number of Shares for conversion
- (11) Terms of redemption
- (12) Terms of sale back
- (13) Entitlement to dividend of the year of conversion
- (14) Method of issuance and target investors
- (15) Subscription arrangement for the existing holders of A Shares
- (16) CB Holders and CB Holders' meetings
- (17) Use of proceeds from the issuance of the Convertible Bonds
- (18) Special provisions in relation to supplementary capital
- (19) Guarantee and security
- (20) The validity period of the resolution in respect of the issuance of the Convertible Bonds
- (21) Matters relating to authorization in connection with the issuance of the Convertible Bonds”

LETTER FROM THE BOARD

2. To consider and approve the resolution in respect of the issuance of new H Shares by the Company:

“**THAT:**

the following items of the issuance of new H Shares of the Company be and are hereby individually approved and be implemented upon the approvals of relevant government authorities in the PRC:

- (1) Class of Shares
 - (2) Size of issuance
 - (3) Target investor
 - (4) Pricing
 - (5) Accumulated profit
 - (6) Use of proceeds
 - (7) The validity period of the resolution
 - (8) Matters relating to authorization in connection with the issuance of the H Shares”
3. To consider and approve the resolution in respect of the statement on the use of proceeds from the previous fund raising activities.
 4. To consider and approve the resolution in respect of the proposal on the use of proceeds raised from the issuance of A Share Convertible Bonds and issuance of new H Shares.
 5. To consider and approve the resolution in respect of the Capital Management Programming (2011–2013) of China Minsheng Banking Corp., Ltd.

In addition, resolutions 1 and 2 regarding the proposed issuance of A Share Convertible Bonds and issuance of new H Shares will be subject to the approvals of the A Shareholders and H Shareholders at the A Share Class Meeting and H Share Class Meeting, respectively, by way of special resolution.

REASONS FOR TERMINATION OF THE NON-PUBLIC ISSUANCE AND PLACING OF A SHARES; REASONS FOR AND BENEFITS OF THE ISSUANCE OF A SHARE CONVERTIBLE BONDS AND NEW H SHARES

With a view to providing a right to all its existing Shareholders to participate in the subscription for securities in the Company, having made due and careful consideration, the Company has decided to withdraw the original proposed A Share private placement, which was only available to the holders of the A Shares, and step up its efforts to advance the interest of all its Shareholders by introducing a new re-financing plan to issue A Share Convertible Bonds and new H Shares. The Company believes that the new re-financing plan is a much better and fairer offering mechanism through which (i) all of its Shareholders are entitled to participate and (ii) different from the A Share private placement proposal, holders of A

LETTER FROM THE BOARD

Shares are entitled to subscribe for the Convertible Bonds on a pro rata basis and there is no preferential treatment to be given to any of the Shareholders by virtue of them being connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules.

The Company also considered other pro-rata fund raising proposals. Given that the Company does not have a controlling interest and has a wide spread of shareholder base, the re-financing by rights issue is structurally complicated and not economical. According to relevant regulatory requirements, if the subscription rate of a rights issue in A share market is lower than 70%, the issuance must be terminated. To the contrary, the issuance of convertible bonds is generally acceptable to the investors. It has little impact on the capital market, is suitable for the Company to meet its capital requirements and will delay the dilution effects. The convertible bonds, with the dual nature of both debts and equity, can easily meet the demand of various investors. The proceeds from the issuance of the A Share Convertible Bonds will be used to replenish the supplementary capital of the Company according to the approval of CBRC and used to replenish the core capital of the Company after conversions conducted by holders of Convertible Bonds, which matches the current capital structure of the Company. The proceeds from the issuance of the H Shares will be used to replenish the core capital of the Company.

CONDITIONALITY BETWEEN THE ISSUANCE OF A SHARE CONVERTIBLE BONDS AND NEW H SHARES

The issuance of A Share Convertible Bonds and new issuance of H Shares are not inter-conditional. If one of them does not proceed to completion, the other one will still proceed to completion.

1. PROPOSAL TO ISSUE A SHARE CONVERTIBLE BONDS

For the purpose of the enhanced competitive advantage and the sustained development of the Company, in accordance with the relevant provisions of the Company Law of the PRC, the Securities Law of the PRC, the Administrative Measures for the Issuance of Securities by Listed Companies issued by CSRC, and any other relevant law, regulations and legal documents with the force of law, and through self-inspection against those requirements, the Board confirms that the Company has satisfied the criteria for the issuance of the Convertible Bonds in the PRC and approved the proposal for the issuance of the A Share Convertible Bonds.

1.1 Type of securities to be issued

The type of the securities to be issued by the Company is A Share Convertible Bonds. The Convertible Bonds and A Shares to be converted into will be listed in Shanghai Stock Exchange.

1.2 Issue size

The total amount of the Convertible Bonds will be not more than RMB20 billion. The actual size of the issuance shall be determined by the Board within the above scope, subject to authorization by the Shareholders' general meeting.

The maximum number of A Shares that can be converted should be determined by the prevailing CB Conversion Price at the time of conversion. The initial CB Conversion Price will be disclosed in the offering documents relating to the Convertible Bonds.

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1.3 Par value and issue price

The Convertible Bonds will be issued at par with a nominal value of RMB100 each.

1.4 Term

The term of the Convertible Bonds will be six years from the date of issuance.

1.5 Interest rate

It is proposed at the Shareholders' general meeting to authorize the Board to determine the methods for determination of nominal interest rate and actual annual interest rate for the interest accrual year with reference to the PRC government policies, market conditions and the actual conditions of the Company, prior to the issuance of the Convertible Bonds.

1.6 Method and timing of interest payment

1.6.1 Calculation of annual interest

The interest of each interest accrual year (“**Annual Interest**”) means the interest accrued to the CB Holders in each year on each anniversary of the date of issuance of the Convertible Bonds, calculated based on the aggregate nominal value of the Convertible Bonds.

The formula for calculating the Annual Interest: $I = B \times i$

“I”: denotes the Annual Interest;

“B”: denotes the aggregate nominal value of the Convertible Bonds held by a CB Holder;
and

“i”: denotes the interest rate of the Convertible Bonds of that year.

1.6.2 Method of interest payment

- (1) Interest of the Convertible Bonds will be paid annually, accruing from the date of issuance of the Convertible Bonds.
- (2) Interest payment date: The interest is payable annually on each anniversary of the date of issuance of the Convertible Bonds. If such day falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first working day immediately thereafter, provided that no additional interest will be accrued during the period of postponement. The period between an interest payment date and the immediately following interest payment date will be an interest accrual year.

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- (3) Record date for interest payment: The record date for interest payment in each year will be the last trading date preceding the interest payment date. The Company will pay the interest accrued in that year within five trading days from the interest payment date. The Company will not pay any interest for that year and subsequent interest accrual years to the CB Holders whose Convertible Bonds have been applied to be converted into the A Shares of the Company on or before the record date for interest payment.
- (4) Tax payable on the interest income of a CB Holder shall be borne by such CB Holder.

The Board shall, in accordance with relevant laws and regulations and rules of Shanghai Stock Exchange, determine the ownership of interests and dividends for the year on which the Convertible Bonds are converted into A Shares.

1.7 Conversion period

The conversion period of the Convertible Bonds commences on the first trading day immediately following the expiry of the six-month period after the date of issuance of the Convertible Bonds and ends on the maturity date of the Convertible Bonds.

1.8 Determination and adjustment of the CB Conversion Price

1.8.1 Basis for determining the initial CB Conversion Price

The initial CB Conversion Price of the Convertible Bonds shall not be lower than the average trading price of A Shares of the Company for the 20 trading days preceding the date of publication of the offering document (in the event that during such 20 trading days, the share price has been adjusted due to ex-rights or ex-dividend, the price of each of these trading days before adjustment shall be adjusted with reference to the ex-rights or ex-dividend share price) and the average trading price of A Shares of the Company on the trading day preceding the date of the publication of the offering document of the Convertible Bonds. The actual initial CB Conversion Price shall be determined by the Board of the Company with reference to the market conditions, subject to the authorization at the Shareholders' general meeting.

1.8.2 Method and calculation formula of adjustments to CB Conversion Price

The CB Conversion Price is subject to adjustment, upon the occurrence of certain events which affect the share capital of the Company, such as distribution of share dividend, capitalization, issuance of new shares, rights issue or distribution of cash dividend (excluding any increase in the share capital as a result of conversion of the Convertible Bonds). The CB Conversion Price will be adjusted based on the following formulae:

Distribution of share dividend or capitalization: $P_1 = P_0 / (1 + n)$;

Issue of new shares or rights issue: $P_1 = (P_0 + A \times k) / (1 + k)$;

Where the two events above occur concurrently: $P_1 = (P_0 + A \times k) / (1 + n + k)$;

Distribution of cash dividend: $P_1 = P_0 - D$;

Where the three events above occur concurrently: $P_1 = (P_0 - D + A \times k) / (1 + n + k)$.

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In the aforesaid formulae, “ P_0 ” denotes the initial CB Conversion Price before adjustment; “ n ” denotes the rate of scrip dividend or capitalization issue; “ k ” denotes the new share issue rate or rights issue rate; “ A ” denotes the price of new share issue or rights issue; “ D ” denotes the cash dividend per share; and “ P_1 ” denotes the effective CB Conversion Price after adjustment.

Upon occurrence of any of the abovementioned changes in the shareholdings and/or shareholder’s interests of the Company, the CB Conversion Price will be adjusted accordingly and in the same order of the occurrence of the changes, and an announcement of the Board resolution in relation to the CB Conversion Price adjustment date, adjustment method and conversion suspension period (if required) shall be made on the publications designated by CSRC and in Hong Kong market (if required) in accordance with the Hong Kong Listing Rules as amended from time to time and the articles of association of the Company. If the CB Conversion Price adjustment date is on or after the date on which a CB Holder applies for conversion of his Convertible Bonds, but before the date of registration of the shares to be issued upon such conversion, then such conversion will be effected based on the adjusted CB Conversion Price.

In the event that the CB Holder’s rights and benefits, or the interests derived from the share conversion are affected by the change in the Company’s share class, quantity and/or shareholders’ interests due to any possible share repurchase, consolidation, division or any other action which may be undertaken by the Company, the Company will adjust the CB Conversion Price based on the actual situation and in accordance with the principles of fairness, justice, equity so as to fully protect the CB Holders’ interests. The details of adjustments to CB Conversion Price and its implementation measures shall be determined in accordance with the then relevant PRC laws and regulations and the relevant provisions of the securities regulatory authorities.

1.9 Downward adjustment to CB Conversion Price

1.9.1 Adjustment right and the magnitude of adjustment

If, during the term of the Convertible Bonds issued hereunder, the closing prices of the A Shares of the Company in any 15 trading days out of any 30 consecutive trading days are lower than 80% of the prevailing CB Conversion Price, the Board may propose a downward adjustment to the CB Conversion Price to the Shareholders for their consideration and approval at a Shareholders’ general meeting.

The conversion price will be determined by the Board based on the prevailing market conditions and in compliance with the requirement of the Administrative Measures for the Issuance of Securities by Listed Companies promulgated by CSRC, which provides that the conversion price of CB shall not be lower than the average trading price of A Shares of the Company for the 20 trading days preceding the date of publication of the offering document, and the average trading price of A Shares on the trading day preceding the date of publication of the offering document. The Administrative Measures for the Issuance of Securities by Listed Companies allows CB issuers to consider downward adjustment of conversion price and specify the mechanism of such potential adjustment in the offering document. If the underlying share price consistently and significantly underperforms the conversion price, the CB holders will suffer by holding onto out-of-the-money option. Hence, the downward adjustment mechanism is designed for the benefit of the CB holders.

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On the other hand, in view of the dilution effect of the conversion price adjustment, and to protect the benefit of existing A Share and H Share holders, the downward adjustment of conversion price can be triggered only if the closing prices of the Company's A Shares in 15 out of 30 consecutive trading days are lower than 80% of the prevailing CB conversion price. In addition, such adjustment will need to be approved at Shareholders' general meeting, subject to approval of two-thirds of the participating shareholders, where holders of CB should abstain from voting. The revised conversion price shall not be lower than the average trading price of A Shares of the Company for the 20 trading days preceding the date of the Shareholders' general meeting, and the average trading price of A Shares on the trading day preceding the date of the Shareholders' general meeting, and shall be also no lower than the nominal value per Share or the net asset value per Share based on the latest audited financial statement.

The Company believes that such downward adjustment of conversion price is in line with the market practice.

The abovementioned proposal is subject to approval of two-thirds of the participating shareholders with voting rights. Shareholders who hold the Convertible Bonds issued hereunder should abstain from voting. The adjusted CB Conversion Price should be no less than the average trading price of the A Shares of the Company for the 20 trading days immediately before the aforementioned Shareholders' general meeting or the average trading price of the A Shares of the Company on the trading day immediately prior that Shareholders' general meeting, and should be also no less than the nominal value per Share or the net asset value per Share based on the latest audited financial statement.

In the event that an adjustment to the CB Conversion Price is made during the aforementioned period of 20 trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the unadjusted CB Conversion Price and the closing price of the shares on each such day, and in respect of the trading days after the adjustment, the calculation shall be based on the adjusted CB Conversion Price and the closing price of the shares on each such day.

1.9.2 Adjustment procedures

If a downward adjustment to the CB Conversion Price is approved by the shareholders at a Shareholders' general meeting, the Company will publish an announcement of the resolutions of the Shareholders' general meeting in relation to magnitude of adjustment, equity record date and conversion suspension period in the print media and the website designated by CSRC and in Hong Kong market (if needed) in accordance with the Hong Kong Listing Rules as amended from time to time and the articles of association of the Company. Application for conversion of CB with adjusted Conversion Price shall be resumed upon the first trading day after the equity record date, i.e. the Conversion Price adjustment date. If the CB Conversion Price adjustment date is on or after the date on which a CB Holder applies for conversion of Convertible Bonds, but before the date of registration of the shares to be issued upon such conversion, then such conversion will be effected based on the adjusted CB Conversion Price.

1.10 Method for determining the number of Shares for conversion

Where a CB Holder applies to convert the Convertible Bonds held by him during the conversion period, the formula for calculating number of the Shares to be issued upon conversion: $Q = V/P$. Any fractional Share shall be rounded down to the nearest whole number.

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In the aforesaid formula, “V” denotes the aggregate nominal value of the Convertible Bonds in respect of which the CB Holders apply for conversion; and “P” denotes the prevailing CB Conversion Price as at the date of application for conversion.

Within five trading days from the conversion of the Convertible Bonds, the Company will pay the CB Holders in cash an amount equal to the nominal value of the remaining balance of such Convertible Bonds which are insufficient to be converted into one Share and the interest accrued on such balance in accordance with the relevant requirements of the Shanghai Stock Exchange and such other authorities (please refer to Clause 1.11 “Terms of redemption” for details of the method of calculation of the interest accrued).

1.11 Terms of redemption

1.11.1 Terms of redemption at maturity

Within five trading days upon the maturity of the Convertible Bonds issued hereunder, the Company will redeem all the Convertible Bonds from CB Holders which have not been converted into the Shares by then, at a price calculated at a premium (including the interest accrued in the last interest accrual year) in addition to the nominal value of the Convertible Bonds. The actual premium shall be determined by the Board with reference to the market conditions, subject to the authorisation at the Shareholders’ general meeting.

1.11.2 Terms of conditional redemption

During the conversion period of the Convertible Bonds issued hereunder, if the closing prices of the A Shares of the Company in at least 15 trading days out of 30 consecutive trading days are equal to or higher than 130% of the prevailing CB Conversion Price, the Company shall have the right to redeem all or part of the outstanding Convertible Bonds which have not been converted into the Shares, at a price equal to the nominal value of the Convertible Bonds plus the interest accrued. If the Company does not exercise the redemption the first time when conditions for redemption are satisfied in any of the interest accrual year, it may not exercise such rights in such interest accrual year.

Formula for calculating then accrued interest is: $I_A = B \times i \times t / 365$

I_A : Accrued interest for the current period;

B: Aggregate nominal value of the Convertible Bonds issued hereunder that are held by the CB Holders and will be redeemed;

i: Interest rate of the Convertible Bonds for current year; and

t: Number of days on which interest is accrued, meaning the actual number of calendar days from the last interest payment date to the redemption date of the current interest accrual year (excluding the redemption date).

In the event that an adjustment to the CB Conversion Price has been implemented in the aforementioned trading days, the calculation shall be made based on unadjusted CB Conversion Price relating to, and the closing price of, each day prior to such adjustment, and on the adjusted Conversion Price relating to, and the closing price of, each day after such adjustment.

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In addition, if the balance of Convertible Bonds not converted is less than RMB30 million, the Board may redeem all Convertible Bonds not converted at the par value plus the accrued interest for the current period.

To meet the requirements for the Convertible Bonds to form as part of the supplementary capital, the exercise of conditional redemption right set out above is conditional upon having obtained the approval from CBRC.

1.12 Terms of sale back

If the actual use of the proceeds from the issuance of the Convertible Bonds by the Company differs from the description of the use of proceeds set out by the Company in the offering document, and such change is considered by the CSRC as a deviation in the use of proceeds, the CB Holders will be entitled to a one-off right to sell the Convertible Bonds back to the Company at the nominal value plus the interest accrued. Under this scenario, the CB Holders may sell their Convertible Bonds back to the Company during the sale back declaration period after it is announced by the Company. If the CB Holders do not exercise their sale back rights during the sale back declaration period, such rights to sell back the Convertible Bonds shall automatically lapse. Save as the aforesaid, the Convertible Bonds cannot be sold back at the option of the CB Holders.

1.13 Entitlement to dividend of the year of conversion

The new A Shares of the Company to be issued as a result of the conversion of the Convertible Bonds shall rank pari passu with all the existing issued shares of the Company, and all shareholders whose names are recorded on the register of members of the Company on the record date for dividend entitlement shall be entitled to receive the dividend for that year.

1.14 Method of issuance and target investors

The method of the issuance of the Convertible Bonds will be determined by the Board, subject to the authorization at the Shareholders' general meeting. The target investors are natural persons, legal persons, securities investment funds and other investors that are in compliance with the laws, who have maintained securities accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, except for those prohibited by the PRC laws and regulations.

1.15 Subscription arrangement for the existing holders of A Shares

The existing holders of A Shares of the Company shall have pre-emptive rights to subscribe for the Convertible Bonds to be issued. The actual amount to be preferentially allocated to the existing holders of A Shares shall be determined by the Board with reference to the market conditions, subject to the authorization at the Shareholders' general meeting, and shall be disclosed in the offering document of the Convertible Bonds.

LETTER FROM THE BOARD

1.16 CB Holders and CB Holders' meetings

1.16.1 Rights and obligations of CB Holders

(1) Rights of CB Holders

- ① to receive agreed interests based on the number of Convertible Bonds held by the CB Holders;
- ② to convert the Convertible Shares held by the CB Holders into the shares of the Company;
- ③ to exercise the right of sale back on agreed conditions;
- ④ to transfer, donate or pledge the Convertible Shares held by the CB Holders in accordance with laws, administrative regulations and the articles of association of the Company;
- ⑤ to receive relevant information in accordance with the laws and the articles of association of the Company;
- ⑥ to request the Company to repay the principal and interest of the Convertible Bonds within the agreed term and by the agreed methods;
- ⑦ other rights as the creditors of the Company prescribed by applicable laws, administrative regulations and the articles of association of the Company.

(2) Obligation of CB Holders

- ① to abide by the terms of Convertible Bonds;
- ② to pay the subscription amount in accordance with the number of Convertible Bonds subscribed for;
- ③ not to request the Company to repay the principal and interest of the Convertible Bonds before maturity, unless otherwise required by applicable laws and regulations or otherwise agreed in the offering document of the Convertible Bonds;
- ④ other obligations of the CB Holders prescribed by applicable laws, administrative regulations and the articles of association of the Company.

1.16.2 CB Holders' meetings

- (1) Circumstances under which CB Holders' meeting shall be convened**

LETTER FROM THE BOARD

A CB Holders' meeting shall be convened by the Board upon the occurrence of any of the following events:

- ① the Company proposes to change the terms of the offering document;
- ② the Company defaults in paying principal amount and interests under the Convertible Bonds on time;
- ③ the Company undertakes a capital reduction, merger, division, dissolution or files for bankruptcy;
- ④ other matters which may affect the material interests of the CB Holders.

The following entities or persons may propose a CB Holders' meeting:

- ① the Board of the Company;
- ② upon written proposal by holders of 10% or more of total par value of the Convertible Bonds;
- ③ other entities or persons prescribed by CSRC.

(2) Convening of CB Holders' meeting

- ① A CB Holder's meeting shall be convened and presided over by the Board of the Company;
- ② The Board of the Company shall, within thirty days after the proposal of the meeting has been raised or received by the Board, convene CB Holders' meeting. The Board of the Company shall, at least fifteen days before the meeting, publish the meeting notice in at least one designated newspaper or website, which shall indicate among others the specific time, revenue, agenda and method of the meeting as confirmed by the Board of the Company.

(3) Attendees of the CB Holders' meeting

Unless otherwise required by applicable laws and regulations, a CB Holder may attend the CB Holders' meeting in person or by a proxy and exercise its voting right.

The following entity or person may attend the CB Holders' meeting as a non-voting attendee and submit the proposal for discussion and decision by the meeting:

- ① Issuer of the Convertible Bonds (i.e. the Company);
- ② Other key connected parties.

The Board of the Company shall engage attorneys to attend the CB Holders' meeting and issue legal opinions on matters such as the convening, voting procedures and qualification of attendees of the CB Holders' meeting.

LETTER FROM THE BOARD

(4) Procedures of CB Holders' meeting

- ① The chairperson of the meeting shall firstly announce the rules of procedure of the meeting and important notice, nominate and announce a scrutineer and present the proposals. Voting will be commenced after discussion of proposals and the resolutions will be effective upon witness by the attorney(s);
- ② A CB Holders' meeting shall be presided over by the Board's Chairman. In the absence of the Board's Chairman, the meeting shall be presided over by a director authorized by the Board's Chairman; if neither the Board's Chairman nor the director authorized by the Board's Chairman is able to preside over the meeting, the meeting shall be presided over by a CB Holder elected by CB Holders representing at least 50% (exclusive) of par value of Convertible Bonds present at the meeting;
- ③ The convener of the meeting shall prepare a signature book for attendees, which shall indicate the name (or company name), identity card number and residential address, of the attendees, the par value of the Convertible Bonds held or represented by the attendees and the name of their proxies.

(5) Voting and resolution of CB Holders' meeting

- ① Each Convertible Bond represents one vote in the CB Holders' meeting;
- ② CB Holders shall vote by open ballot in the CB Holders' meeting;
- ③ A resolution of the CB Holders' meeting shall be valid upon the affirmative votes representing at least two-thirds of par value of Convertible Bonds present at the meeting;
- ④ Different proposals or different items contained in one proposal shall be discussed and voted separately in the CB Holders' meeting;
- ⑤ A resolution of CB Holders' meeting shall be valid after it is resolved at the CB Holders' meeting, provided that, if the approval of CSRC or other competent authorities are required, it shall become effective on the date of approval or other date confirmed by such approval;
- ⑥ Unless expressly agreed that special compensation shall be made to the CB Holders voting against the resolution or failing to attend the meeting, a resolution shall have equal effect on all CB Holders;
- ⑦ After a resolution is passed by the CB Holders' meeting, the Board of the Company shall notify the CB Holders by announcement and implement such resolution.

LETTER FROM THE BOARD

1.17 Use of proceeds from the issuance of the Convertible Bonds

The proceeds from the issuance of the Convertible Bonds, after deduction of the expenses relating to the issuance, will be used to replenish the supplementary capital of the Company according to the approval of CBRC. Such proceeds will be used to replenish the core capital of the Company after conversions conducted by CB Holders.

1.18 Special provisions in relation to supplementary capital

In order to satisfy the requirements of the CBRC in relation to the treatment of convertible bonds as the supplementary capital of a bank and pursuant to the *Administrative Measures regarding the Capital Adequacy Ratio of Commercial Banks*, the terms of the Convertible Bonds will contain the following special provisions:

- 1.18.1 the exercise of the redemption right under the Convertible Bonds is conditional upon the obtaining of the approval of the CBRC; and
- 1.18.2 the CB Holders' claims against the Company are subordinated to the claims of the depositors and other ordinary creditors of the Company, and are equivalent to other subordinated debts of the Company. The Convertible Bonds are not secured by the mortgage or pledge over the assets of the Company.

1.19 Guarantee and security

There is no guarantee or security in relation to the proposed issuance of the Convertible Bonds.

1.20 The validity period of the resolution in respect of the issuance of the Convertible Bonds

The resolution in respect of the issuance of the Convertible Bonds will be valid for 12 months from the date on which the resolution is approved at a Shareholders' general meeting and Shareholders' class meetings.

1.21 Matters relating to authorization in connection with the issuance of the Convertible Bonds

To ensure smooth implementation of the issuance of the Convertible Bonds, it will be proposed at the Shareholders' general meeting to authorize the Board, and the Board will then delegate the authority to the Director and the President, Mr. Hong Qi, and the Vice President, Mr. Zhao Pinzhang, to separately or jointly exercise the full power to handle matters relating to the issuance of the Convertible Bonds under the framework and principles as deliberated and passed by the Shareholders at the Shareholders' general meeting and within the validity period of the resolution in respect of the issuance of the Convertible Bonds (and for matters relating to the conversion of the Convertible Bonds, within the conversion period), including but not limited to those set out below:

- 1.21.1 to formulate and implement the final proposal for the issuance of the Convertible Bonds, including but not limited to: to determine the issue size, timing of the issuance, method of the issuance, target investors, interest rate of the Convertible Bonds, conversion price, redemption terms and the amount of the Convertible Bonds to be preferentially allocated to the existing holders of A Shares of the Company; accounts for the funds to be raised; and any other matters in relation to the issuance plan and the conversion of the Convertible Bonds in the future;

LETTER FROM THE BOARD

- 1.21.2 if the PRC government announces new regulations in relation to the issuance of Convertible Bonds, or the regulatory authorities set out new policy requirements, or upon changes in the market conditions, to adjust the issuance proposal accordingly unless such adjustments are specifically required by the laws, regulations and the articles of association of the Company to be resolved at a Shareholders' general meeting;
- 1.21.3 to produce, amend and file the application and any other materials in relation to the issuance and listing of the Convertible Bonds in accordance with the requirements of the relevant regulatory authorities;
- 1.21.4 to amend, execute and implement all contracts, agreements and other documents (including but not limited to underwriting and sponsorship agreements and agreements relating to the proceeds from the issuance of the Convertible Bonds) during the course of the issuance of the Convertible Bonds;
- 1.21.5 to amend the relevant provisions of the articles of association of the Company relating to the issuance of the Convertible Bonds and the registered capital of the Company at the appropriate time based on the status of implementation of the issuance and conversion of the Convertible Bonds, and to deal with the matters in relation to the approval of and the filing with the approval authority or the administration for industry and commerce of such amendments, the approval by and the registration with the approval authority or the administration for industry and commerce of the change in the registered capital, and the listing of the Convertible Bonds;
- 1.21.6 to the extent permitted by laws and regulations, in accordance with the requirements of the regulatory authorities and in view of the actual conditions of the Company, to appropriately amend, adjust and supplement the terms of the issuance of the Convertible Bonds; and
- 1.21.7 to deal with other matters relating to the issuance of the Convertible Bonds.

This proposal shall be submitted to each of the Extraordinary General Meeting, A Share Class Meeting and H Share Class Meeting of the Company for consideration and approval.

The Shareholders and potential investors should be aware that the proposed issuance of the A Share Convertible Bonds is subject to the approvals set out above being obtained and various factors including the market conditions, and therefore the proposed issuance of the A Share Convertible Bonds may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares.

2. PROPOSAL TO ISSUE NEW H SHARES

In order to improve the capital adequacy ratio of the Company, ensure the sustained development of the Company, the Company, in the interests of its Shareholders, proposes to issue new H shares.

2.1 Class of Shares

H Shares to be issued are H Shares with nominal value of RMB1.00 each, which will be issued to overseas investors and listed on the main board of the Hong Kong Stock Exchange.

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The H Shares to be issued shall rank pari passu with the existing A Shares and H Shares in all respects except as otherwise provided for under the applicable PRC laws and regulations and the articles of association of the Company.

2.2 Size of issuance

Not more than 1,650,852,240 H Shares will be issued, representing not more 40% of the total issued 4,127,130,600 H Shares as at 25 February 2011. If there were any change to the share capital of the Company as a result of any dividend of shares or capitalization, etc., before the issuance, the maximum number of H Shares issued will be decided in accordance with 40% of the total number (after such change) of issued H Shares.

2.3 Target investor

Qualified investors of the issuance of H Shares, shall be the overseas individuals, institutional investor(s) and other qualified investors which are independent of, and which are not connected persons of, the Company.

2.4 Pricing

2.4.1 The issue price of the H Shares to be issued shall be determined by the Board and in the best interest of the Shareholders according to the prevailing market conditions and shall not be issued at a discount of more than 20% to:

- (i) the closing price of H Shares on the date of the relevant placing agreement or other agreement involving the proposed issuance of H Shares; and
- (ii) the average of the closing prices of H Shares during the 5 trading days immediately prior to the earliest of:
 - (a) the date of announcement to be published upon signing of the placing agreement or other agreement involving the proposed issuance of H Shares;
 - (b) the date of the placing agreement or other agreement involving the proposed issuance of H Shares; and
 - (c) the date on which the issue price is fixed.

2.4.2 The issue price should also be referenced to the trading performance and trading multiples of the comparable listed companies that engaged in similar businesses before the issuance.

2.5 Accumulated profit

The accumulated profit before the issuance of H Shares shall be arranged for the implementation of the H Shares issuance plan. The accumulated profit of the Company prior to the issuance of the new H Shares shall be shared by all the Shareholders immediately after such issuance.

LETTER FROM THE BOARD

2.6 Use of proceeds

The proceeds from the issuance of the H Shares, after deduction of the expenses relating to the issuance, will be used to replenish the capital base of the Company in order to improve the capital adequacy ratio of the Company.

2.7 The validity period of the resolution

The resolution in respect of the issuance of the H Shares will be valid for 12 months from the date on which the resolution is passed at the general meeting and Shareholders' class meetings of the Company.

2.8 Matters relating to authorization in connection with the issuance of the H Shares

To ensure smooth implementation of the issuance of the H shares, it will be proposed at a Shareholders' general meeting and Shareholders' class meetings to authorize the Board, and the Board will then delegate the authority to the Director and the President, Mr. Hong Qi, and Vice President, Mr. Zhao Pinzhang, to separately or jointly exercise the full power to handle matters relating to the issuance of the H Shares under the framework and principles as deliberated and adopted by the Shareholders at the Shareholders' general meeting and within the validity period of the resolution in respect of the issuance of the H Shares, including but not limited to those set out below:

- 2.8.1 Submit all the relevant applications, reports and other documents to the relevant PRC and overseas authorities and deal with all the procedures to obtain and/or procure all the relevant approvals, registration, filing, sanction and permission;
- 2.8.2 Be responsible for the issuance of new H Shares pursuant to the terms thereof approved by the Shareholders at the Shareholders' general meeting and Shareholders' class meetings, including but not limited to the determination of the issue size, price (including the price range and final price), timing of the issuance, method of the issuance and target investor(s) of the issuance(s) of the H Shares, the execution, implementation, modification and termination of any agreement, contract or other documents relating to issuance of new H Shares and other relevant matters;
- 2.8.3 Be responsible for handling and obtaining all the approvals and permissions from the CSRC, the Hong Kong Stock Exchange and other relevant PRC and overseas authorities in relation to the issuance of new H Shares;
- 2.8.4 Engage the lead underwriter, international and domestic legal advisers and other agents in relation to the issuance of new H shares and enter into the relevant appointment or engagement agreements according to the practical needs of the issuance of new H Shares;
- 2.8.5 Amend the articles of association of the Company according to the result of the issuance of new H Shares, deal with the relevant registration and filing procedures with the relevant industry and commerce administration authorities and other matters in relation to the implementation of the approvals of the Shareholders' general meeting and Shareholders' class meetings;
- 2.8.6 Make appropriate amendments to the terms of proposal to issue new H Shares in light of the specific circumstances of the issuance of new H Shares and pursuant to the approval(s) by the relevant authorities;

LETTER FROM THE BOARD

2.8.7 Execute, implement, amend and complete any document and do any act as necessary and appropriate in relation to the issuance of new H Shares.

This proposal shall be submitted to Extraordinary General Meeting, A Share Class Meeting and H Share Class Meeting for consideration and approval. The application of the issuance of new H Shares shall be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, such H Shares on the Hong Kong Stock Exchange.

The Shareholders and potential investors should be aware that the proposed issuance of the new H Shares is subject to the approvals set out above being obtained and various factors including the market conditions, and therefore the proposed issuance of the new H Shares may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares.

3. CHANGES TO THE SHARE CAPITAL AND SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING THE ISSUANCE OF A SHARE CONVERTIBLE BONDS AND THE ISSUANCE OF NEW H SHARES

3.1 Changes to the share capital and shareholding structure of the Company following the issuance of A Share Convertible Bonds

Upon conversion of the Convertible Bonds, there would be an increase in the number of the outstanding A Shares. Shareholders' equity interest in the Company will be diluted as a result of the exercise of the conversion rights attached to the Convertible Bonds. The exact size of the above increase in number of A Shares will depend on the final terms of the Convertible Bonds, including, amongst other terms, the conversion price at which the Convertible Bonds will be converted into A Shares. The initial CB Conversion Price of the Convertible Bonds shall not be lower than the average trading price of A Shares of the Company for the 20 trading days preceding the date of publication of the offering document (in the event that during such 20 trading days, the share price has been adjusted due to ex-rights or ex-dividend, the price of each of these trading days before adjustment shall be adjusted with reference to the ex-rights or ex-dividend share price) and the average trading price of A Shares of the Company on the trading day preceding the date of the offering document of the Convertible Bonds. The actual initial CB Conversion Price shall be determined by the Board of the Company with reference to the market conditions, subject to the authorization at the Shareholders' general meeting.

For reference and illustrative purposes only, assuming that Announcement Date is the date of publication of the offering document of the Convertible Bonds, the average trading price of A Shares of the Company for the 20 trading days preceding Announcement Date and the average trading price of A Shares of the Company on the last trading day preceding Announcement Date is RMB5.07 (equivalent to approximately HK\$6.04) per share and RMB5.08 (equivalent to approximately HK\$6.05) per share respectively, therefore the conversion price will not be lower than RMB5.08 (equivalent to approximately HK\$6.05) per share.

Assuming that the conversion price is RMB5.08 (equivalent to approximately HK\$6.05) per share, given the total size of the issuance of the A Share Convertible Bonds will be not more than RMB20 billion, the maximum number of A Shares to be converted will be 3,937,007,874 A Shares.

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3.2 Changes to the share capital and shareholding structure of the Company following the issuance of the new H shares

Upon issuance of the new H Shares, there would be an increase in the number of H Shares held by the public. The maximum number of H Shares issued will be decided in accordance with 40% of the total outstanding H Shares before the issuance, i.e. not more than 1,650,852,240 H Shares based on the total issued 4,127,130,600 H Shares as at the Announcement Date.

For reference and illustrative purposes only, the tables below set out the possible changes in the Company's share capital and shareholding structure under the following scenarios: (Certain amounts and percentage figures included in below tables have been subject to rounding adjustments, and any discrepancies in any table between the total shown and the sum of the amounts listed are due to rounding.)

(i) As at the Latest Practicable Date:

	Number of Shares (in billion)	As a percentage of total issued Shares
Existing A Shareholders	22.59	84.6%
Existing H Shareholders	4.13	15.4%
Newly issued H Shareholders	—	—
Converted A Shareholders	—	—
Total	26.71	100.0%

(ii) Immediately after the completion of the full exercise of the specific mandate to issue 40% of the total issued H shares assuming no A Shares have been converted from the Convertible Bonds:

	Number of Shares (in billion)	As a percentage of total issued Shares
Existing A Shareholders	22.59	79.6%
Existing H Shareholders	4.13	14.5%
Newly issued H Shareholders	1.65	5.8%
Converted A Shareholders	—	—
Total	28.37	100.0%

LETTER FROM THE BOARD

- (iii) Immediately after the maximum number of A Shares have been converted assuming that the conversion price is RMB5.08 (equivalent to approximately HK\$6.05) per share and no new H Shares is issued:

	Number of Shares (in billion)	As a percentage of total issued Shares
Existing A Shareholders	22.59	73.7%
Existing H Shareholders	4.13	13.5%
Newly issued H Shareholders	—	—
Converted A Shareholders	3.94	12.8%
Total	30.65	100.0%

- (iv) Immediately after the completion of the full exercise of the specific mandate to issue 40% of the total issued H Shares, assuming A Shares have been converted and the conversion price is RMB5.08 (equivalent to approximately HK\$6.05) per share:

	Number of Shares (in billion)	As a percentage of total issued Shares
Existing A Shareholders	22.59	69.9%
Existing H Shareholders	4.13	12.8%
Newly issued H Shareholders	1.65	5.1%
Converted A Shareholders	3.94	12.2%
Total	32.30	100.0%

4. STATEMENT ON THE USE OF PROCEEDS FROM THE PREVIOUS FUND RAISING ACTIVITIES

4.1 Amount of the previous fund raising and the actual receipt date of the proceeds

On 26 November 2009, pursuant to CSBC's *Approval on Relevant Matters relating to CMBC's Issuing of H Shares (Yin Jian Fu [2009] No.231)*, CSRC's *Approval on CMBC's Issuing of H Shares (Zheng Jian Xu Ke Zi [2009] No. 1104)* and the Hearing of the Listing Committee of the Hong Kong Stock Exchange, H Shares of the Company were approved to be issued and traded on the Hong Kong Stock Exchange. On 26 November 2009, 3,321,706,000 H Shares of the Company, the offering price of which was HK\$9.08 per Share, were successfully issued. On 18 December 2009, the Company exercised the over-allotment option of H Shares with a price of HK\$9.08 per Share and 117,569,500 H Shares were allotted accordingly.

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On 26 November 2009 and 23 December 2009 respectively, the Company received HK\$30,161,090,480 and HK\$1,067,531,060 paid by the investors as contributions for share subscription, which in aggregation amount to RMB27,508,003,570.69 after the conversion based on relevant benchmark exchange rates (i.e. RMB0.88087 to HK\$1 and RMB0.88054 to HK\$1 respectively) announced by the People's Bank of China on relevant dates of capital injection, i.e. on 26 November 2009 and 23 December 2009 respectively. The capital injected is applied to increase the share capital by RMB3,439,275,500, and to increase the capital surplus by RMB23,311,141,930.01 (including the RMB269,335.67 after conversion of the interest accrued on the amount for the application of subscription during the freeze-up period and RMB395.67 after conversion of the arrears of the amount for the application of subscription, and RMB757,855,080.68 after conversion of the underwriting commission, trading fees charged by Hong Kong Stock Exchange and trading levy imposed by Securities and Futures Commission has been deducted therefrom). All capital contributions involved herein have been made in cash in HKD and have been verified by PricewaterhouseCoopers in Pu Hua Yong Dao Zhong Tian Yan Zi (2010) No. 043 Capital Verification Report.

4.2 Actual use of previously raised proceeds

Pursuant to the H Share prospectus of the Company, the Company intended to use the raised proceeds for the strengthening of the core capital of the Company so as to support the persistent growth of the Company's business. As of 30 September 2010, all the raised proceeds has been used for the strengthening of the core capital of the Company so as to support the persistent growth of the Company's business.

Actual use of the raised proceeds aforementioned has been compared by the Company, item by item, with relevant disclosures in the annual report, interim reports and other information disclosure documents from 2009 to 30 September 2010, and actual use of the raised proceeds is consistent with relevant disclosures.

As regard to the use of previously raised proceeds of the Company, the *Verification Report on use of previously raised proceeds (Pu Hua Yong Dao Zhong Tian Te Shen Zi (2010) No. 820)* has been issued by PricewaterhouseCoopers Certified Public Accountants.

Particulars of this proposal were recorded in relevant document published by the Company on the website of Shanghai Stock Exchange on 26 February 2011.

This proposal will be submitted to the Extraordinary General Meeting for consideration and approval.

5. PROPOSAL ON THE USE OF PROCEEDS RAISED FROM THE ISSUANCE OF A SHARE CONVERTIBLE BONDS AND ISSUANCE OF NEW H SHARES

After deduction of issuing fees, all the proceeds from issuance of A Share Convertible Bonds and issuance of new H Shares will be used for replenishing of the core capital of the Company, increasing the capital adequacy ratio, strengthening the Company's ability of resisting risks and gaining profits and ensuring the sustained, rapid and sound development of the business of the Company.

After deduction of issuing fees, all the proceeds from issuance of A Share Convertible Bonds will, upon the approval by CBRC, be used for replenishing of the Tier 2 Capital of the Company and replenishing the core capital after the conversion by CB Holders.

LETTER FROM THE BOARD

Particulars of the proposal will be recorded in relevant documents published by the Company on the website of Shanghai Stock Exchange on 26 February 2011.

This proposal will be submitted to the Extraordinary General Meeting for consideration and approval.

6. PROPOSAL ON THE CAPITAL MANAGEMENT PROGRAMMING (2011–2013) OF CHINA MINSHENG BANKING CORP., LTD.

In order to strengthen the capital management, enhance the capital replenishment mechanism, and improve the capital adequacy level and assets quality of the Company, the Company has prepared the Capital Management Programming (2011–2013) of China Minsheng Banking Corp., Ltd. (the “Capital Management Programming”) in accordance with the relevant regulatory rules and policy requirements. Based on the primary objectives of the Company’s capital management and its major capital planning principles, and based on the combined analysis of macro-economic situations, the Company’s current capital adequacy ratio and future capital needs of the Company, and assuming there is no serious deterioration of the economy and the financial conditions, the Company has set its target for core capital adequacy ratio as no less than 10.5% and core capital adequacy ratio as no less than 8.5%, for the next 3 years, respectively.

This proposal will be submitted to the Extraordinary General Meeting for consideration and approval.

7. EXTRAORDINARY GENERAL MEETING AND H SHARE CLASS MEETING

Notices convening the EGM and the H Share Class Meeting as well as the related reply slips and forms of proxy were dispatched to the Shareholders by the Company on 18 March 2011.

Shareholders who intend to attend the EGM and the H Share Class Meeting shall complete and deliver the relevant reply slips to the Secretariat of the Board of Directors of the Company no later than Thursday, 14 April 2011.

The contact details of the Secretariat of the Board of Directors of the Company are as follows:

87707,
Building VIII, Beijing Friendship Hotel,
No. 1 Zhongguancun Nandajie, Haidian District, Beijing,
The People’s Republic of China
Postal Code: 100873
Facsimile: 86-10-6846 6796

The relevant forms of proxy for the EGM and the H Share Class Meeting must be lodged with the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong) not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof in order for such documents to be valid.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all resolutions at the general meeting will be voted on by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules. To the best of the Directors’ knowledge, information and belief having made all reasonable inquiry, no Shareholder is required to abstain from voting on any of the matters proposed to the EGM, the A Share Class Meeting and the H Share Class Meeting, respectively, as set out above.

LETTER FROM THE BOARD

As certain holders of A Shares are considered Associates of Mr. Liu Yonghao, Mr. Zhang Hongwei, Ms. Wong Hei, Mr. Lu Zhiqiang and Mr. Shi Yuzhu, being the Directors of the Company, under the Hong Kong Listing Rules and therefore connected persons of the Company, the subscription of the Convertible Bonds by such holders of A Shares would constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules and subject to the reporting, disclosure and independent Shareholders' approval requirements. The Company has applied to the Hong Kong Stock Exchange, and the Hong Kong Stock Exchange has agreed to waive the requirements from strict compliance with Rules 14A.21, 14A.47, 14A.48, 14A.58(c) and 14A.58(3)(d) of the Hong Kong Listing Rules.

8. RECOMMENDATIONS

The Board of the Company has considered and approved all resolutions as mentioned above. None of the Directors of the Company has substantial interest in the issuance of A Share Convertible Bonds and new H Shares.

The Directors consider that all resolutions aforementioned are in the best interests of the Company and Shareholders as a whole and thus recommend you to vote in favor of the above resolutions which will be proposed at the EGM/H Share Class Meeting.

The register of H Shares of the Company is closed from Monday, 4 April 2011 to Wednesday, 4 May 2011 (both days inclusive), during such period no transfer of H Shares of the Company will be registered. H Shareholders whose names appear on the register of members of the Company as at 4:30 p.m. on Friday, 1 April 2011 are entitled to attend and vote at the EGM and H Share Class Meeting.

Yours faithfully,
By order of the Board
China Minsheng Banking Corp., Ltd.
Dong Wenbiao
Chairman

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and Short Positions of Directors, Supervisors and Chief Executive

As at the Latest Practicable Date, the following Directors of the Company had the following interests in the shares of the Company:

Name	Position	Class of Shares	Long/ short position	Capacity	No. of shares	Notes	Percentage of the relevant class of shares in issue (%)	Percentage of all the issued shares (%)
Liu Yonghao	Non-executive Director	A	Long	Interest held by the controlled corporations	1,891,893,763	1	8.38	7.08
Zhang Hongwei	Non-executive Director	A	Long	Interest held by the controlled corporations	931,073,370	2	4.12	3.49
Wong Hei	Non-executive Director	A	Long	Interest held by the controlled corporation	574,603,116	3	2.54	2.15
Lu Zhiqiang	Non-executive Director	A	Long	Interest held by the controlled corporations	698,939,116	4	3.09	2.62
Shi Yuzhu	Non-executive Director	A	Long	Interest held by the controlled corporations	146,640,000	5	0.65	0.55

Notes:

- The 1,891,893,763 A shares comprised 558,306,938 A shares directly held by Sichuan South Hope Industrial Co., Ltd. and 1,333,586,825 A shares directly held by New Hope Investment Co., Ltd. Sichuan South Hope Industrial Co., Ltd. was wholly-owned by New Hope Group Co., Ltd., while New Hope Investment Co. Ltd. was held as to 25% and 75% of its issued share capital by New Hope Group Co., Ltd. and Sichuan New Hope Agri-Business Co., Ltd., respectively. New Hope Group Co., Ltd. held 45.70% of the issued share capital of Sichuan New Hope Agri-Business Co., Ltd. Pursuant to the SFO, New Hope Group Co., Ltd. was deemed to be interested in the 558,306,938 A shares held by Sichuan South Hope Industrial Co., Ltd. and the 1,333,586,825 A shares held by

New Hope Investment Co., Ltd. Mr. Liu Yonghao is the Chairman of the board of directors of both New Hope Group Co., Ltd. and Sichuan New Hope Agri-Business Co., Ltd.

As Mr. Liu Yonghao held 63.65% (in which 1.31% was personally held by his spouse, Ms. Li Wei) of the issued share capital of New Hope Group Co., Ltd., Mr. Liu Yonghao was deemed to be interested in the 1,891,893,763 A shares held by New Hope Group Co., Ltd. pursuant to the SFO.

2. The 931,073,370 A shares comprised 888,970,224 A shares directly held by Orient Group Incorporation and 42,103,146 A shares directly held by Orient Group Industrial Co., Ltd. 27.98% of the issued share capital of Orient Group Incorporation was held by Orient Group Industrial Co., Ltd., of which 32.58% of the issued share capital was held directly by Mr. Zhang Hongwei and 30.11% of the issued share capital was held by him indirectly through Orient Group Investment Holdings Co., Ltd.. 94% of the issued share capital of Orient Group Investment Holdings Co., Ltd. was held by Mingze Orient Investment Co., Ltd., which is wholly-owned by Mr. Zhang Hongwei. Mr. Zhang Hongwei is the Chairman of the board of directors of Orient Group Incorporation.
3. The 574,603,116 A shares were held by Fuxin Group Co., Ltd., of which 51.03% of its issued share capital was held by Ms. Wong Hei. Ms. Wong Hei is the Chairman of the board of directors of Fuxin Group Co., Ltd.
4. The 698,939,116 A shares were held by China Oceanwide Holdings Group Co., Ltd., of which 96.7% of its issued share capital was held by Oceanwide Group Co., Ltd., which was wholly-owned by China Oceanwide Holdings Group. Mr. Lu Zhiqiang held 77.14% of the issued share capital of China Oceanwide Holdings Group. Mr. Lu Zhiqiang is the Chairman of the board of directors of both China Oceanwide Holdings Group Co., Ltd. and Oceanwide Group Co., Ltd.
5. The 146,640,000 A shares comprised 31,800,000 A shares directly held by Giant Investment Co., Ltd. and 114,840,000 A shares directly held by Shanghai Giant Lifetech Co., Ltd.. 95.14% of the issued share capital of Shanghai Giant Lifetech Co., Ltd. was held by Giant Investment Co., Ltd., of which 95% of the issued share capital was held by Mr. Shi Yuzhu. Mr. Shi Yuzhu is the chairman of the board of directors of Giant Investment Co., Ltd.

As at the Latest Practicable Date, the following Director of the Company had the following interests in Pengzhou Minsheng Township Bank Co., Ltd (彭州民生村镇银行有限公司), a subsidiary of the Company:

Name	Position	Long/ short position	Capacity	Interest in share capital	Note	Percentage of the total registered Capital (%)
Liu Yonghao	Non-executive Director	Long	Interest held by the controlled corporation	RMB2,000,000	1	3.64

Note:

1. New Hope Group Co., Ltd. is interested in RMB2,000,000 of the registered capital of Pengzhou Minsheng Township Bank Co., Ltd. As Mr. Liu Yonghao held 63.65% (in which 1.31% was personally held by his spouse, Ms. Li Wei) of the issued share capital of New Hope Group Co., Ltd., Mr. Liu Yonghao was deemed to be interested in the equity interest held by New Hope Group Co. Ltd. in Pengzhou Minsheng Township Bank Co., Ltd according to the SFO.

As at the Latest Practicable Date, the following Director of the Company had the following interests in Shanghai Songjiang Minsheng Township Bank Co., Ltd. (上海松江民生村鎮銀行股份有限公司), a subsidiary of the Company:

Name	Position	Long/ short position	Capacity	Interest in share capital	Note	Percentage of the total registered Capital (%)
Shi Yuzhu	Non-executive Director	Long	Interest held by the controlled corporation	RMB6,000,000	1	6.00

Note:

- Shanghai Giant Lifetech Co., Ltd. is interested in RMB6,000,000 of the total share capital of Shanghai Songjiang Minsheng Township Bank Co., Ltd.. 95.14% of the issued share capital of Shanghai Giant Lifetech Co., Ltd. was held by Giant Investment Co., Ltd, while Mr. Shi Yuzhu in turn held 95% of the issued share capital of Giant Investment Co., Ltd. Mr. Shi Yuzhu was deemed to be interested in the equity interest held by Shanghai Giant Lifetech Co., Ltd. in Shanghai Songjiang Minsheng Township Bank Co., Ltd. according to the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors, or chief executives held or was deemed to hold any interests and/or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in the SFO) which were recorded in the register required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules, nor had they been granted such rights.

(b) Competing and Other Interests of Directors

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

3. INTERESTS HELD BY DIRECTORS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

So far as the Company and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors or Supervisors had any interest, either directly or indirectly, in any assets which have been, since 31 December 2009 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of or leased by any member of the Group, or are proposed to be acquired or disposed of or leased by any member of the Group.

So far as the Company and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors or Supervisors was materially interested, either directly or indirectly, in any significant contract or arrangement entered into by the Group that is relevant to the business of the Group and is still valid as at the Latest Practicable Date.

4. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

As at the Latest Practicable Date, none of the Directors or Supervisors has or is proposed to have any service contract with any member of the Group that is not determinable within one year without payment of compensation (other than statutory compensation).

5. SUMMARY OF OUR MATERIAL CONTRACTS

The Company has entered into the following contracts (not being contracts entered into in the Company's ordinary course of business) within the two years preceding the date of this circular, which are or may be material:

- (a) the agreement amongst promoters (出資人協議書) dated 21 September 2009 in relation to the establishment of 上海松江民生村鎮銀行股份有限公司 (Shanghai Songjiang Minsheng Township Bank Co., Ltd.) entered into among the Company and 8 other promoters, pursuant to which the Company contributed 35% of its RMB100 million registered capital;
- (b) a cornerstone investment agreement dated 6 November 2009 entered into between Dr. Yeung Chun Kam and Mr. Yeung Chun Fan, UBS AG, Hong Kong Branch, BOCI Asia Limited, China International Capital Corporation Hong Kong Securities Limited, Macquarie Capital Securities Limited and Hai Tong Securities (HK) Brokerage Limited (collectively, the "Joint Bookrunners") and the Company, pursuant to which Dr. Yeung Chun Kam and Mr. Yeung Chun Fan have agreed to jointly subscribe at the offer price for such number of H Shares offered in the global offering of the Company that may be purchased with US\$100 million, rounded down to the nearest board lot;
- (c) a cornerstone investment agreement dated 6 November 2009 entered into between Pretty Wave Limited, the Joint Bookrunners and the Company, pursuant to which Pretty Wave Limited has agreed to subscribe at the offer price for such number of H Shares offered in the global offering of the Company that may be purchased with US\$100 million, rounded down to the nearest board lot;
- (d) a cornerstone investment agreement dated 6 November 2009 entered into between China Overseas Finance Investment Limited, the Joint Bookrunners and the Company, pursuant to which China Overseas Finance Investment Limited has agreed to subscribe at the offer price for such number of H Shares offered in the global offering of the Company that may be purchased with US\$60 million, rounded down to the nearest board lot;
- (e) a cornerstone investment agreement dated 6 November 2009 entered into between Ever Eagle Limited, Mr. Yin Yen-Liang, the Joint Bookrunners and the Company, pursuant to which Ever Eagle Limited has agreed to subscribe at the offer price for such number of H Shares offered in the global offering of the Company that may be purchased with US\$50 million, rounded down to the nearest board lot;
- (f) a cornerstone investment agreement dated 6 November 2009 entered into between Ping An of China Asset Management (Hong Kong) Company Limited, the Joint Bookrunners and the Company, pursuant to which Ping An of China Asset Management (Hong Kong) Company Limited has agreed to subscribe at the offer price for such number of H Shares offering in the global offering of the Company that may be purchased with US\$30 million, rounded down to the nearest board lot; the Hong Kong underwriting agreement dated 12 November 2009 relating

- to the Hong Kong public offering of H Shares entered into among the Company, the Joint Bookrunners and certain Hong Kong underwriters;
- (g) the international placing agreement dated 19 November 2009 relating to the international placing of H Shares entered into among the Company, the Joint Bookrunners and certain international purchasers;
 - (h) the price determination agreement dated 19 November 2009 relating to the global offering of the Company among the Company and the Joint Bookrunners;
 - (i) the agreement amongst promoters (出資人協議書) dated 1 June 2010 in relation to the establishment of 綦江民生村鎮銀行股份有限公司 (Qijiang Minsheng Township Bank Co., Ltd.) entered into among the Company and 10 other promoters, pursuant to which the Company contributed 50% of its RMB60 million registered capital;
 - (j) the agreement amongst promoters (出資人協議書) dated 2 June 2010 in relation to the establishment of 潼南民生村鎮銀行股份有限公司 (Tongnan Minsheng Township Bank Co., Ltd.) entered into among the Company and 7 other promoters, pursuant to which the Company contributed 50% of its RMB50 million registered capital;
 - (k) the agreement amongst promoters (出資人協議書) dated 2 June 2010 in relation to the establishment of 資陽民生村鎮銀行股份有限公司 (Ziyang Minsheng Township Bank Co., Ltd.) entered into among the Company and 9 other promoters, pursuant to which the Company contributed 51% of its RMB80 million registered capital;
 - (l) the agreement amongst promoters (出資人協議書) dated 4 June 2010 in relation to the establishment of 梅河口民生村鎮銀行股份有限公司 (Meihekou Minsheng Township Bank Co., Ltd.) entered into among the Company and 8 other promoters, pursuant to which the Company contributed 51% of its RMB50 million registered capital;
 - (m) the agreement amongst promoters (出資人協議書) dated 8 June 2010 in relation to the establishment of 武漢江夏民生村鎮銀行股份有限公司 (Wuhan Jiangxia Minsheng Township Bank Co., Ltd.) entered into among the Company and 8 other promoters, pursuant to which the Company contributed 51% of its RMB80 million registered capital;
 - (n) the agreement amongst promoters (出資人協議書) dated 18 June 2010 in relation to the establishment of 長垣民生村鎮銀行股份有限公司 (Changyuan Minsheng Township Bank Co., Ltd.) entered into among the Company and 9 other promoters, pursuant to which the Company contributed 51% of its RMB50 million registered capital;
 - (o) the agreement amongst promoters (出資人協議書) dated 18 June 2010 in relation to the establishment of 宜都民生村鎮銀行股份有限公司 (Yidu Minsheng Township Bank Co., Ltd.) entered into among the Company and 8 other promoters, pursuant to which the Company contributed 51% of its RMB50 million registered capital; and
 - (p) the underwriting agreement dated 21 December 2010 relating to the issuance of RMB10 billion subordinate bonds entered into among the Company, Haitong Securities Co., Ltd., UBS Securities Co., Limited and Zhong De Securities Co., Ltd.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009 (being the date to which the latest published audited accounts of the Group were made up).

7. GENERAL

- (a) In any event of inconsistency, the Chinese text of this circular shall prevail over the English text.
- (b) The H Share registrar of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business at 36/F, Bank of American Tower, 12 Harcourt Road, Central, Hong Kong within 14 days from the date of this circular (excluding Saturdays and public holidays):

- (a) the articles of association of the Company;
- (b) the prospectus of the Company dated 13 November 2009;
- (c) the annual reports of the Company for the two years ended 31 December 2008 and 2009;
- (d) material contracts summarised under the section headed "Summary of Material Contracts" in this appendix;
- (e) the service agreements mentioned in the section headed "Service Contracts" in this Appendix;
and
- (f) this circular