

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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: 1988)

## **BONUS ISSUE OF SHARES**

The Board proposes to make the Bonus Issue to the Shareholders. Each Shareholder will be issued Bonus Shares on the basis of two (2) Bonus Shares for every ten (10) Shares held on the record date for the A Shareholders and the H Shareholders. The Bonus Issue is conditional upon approval by the Shareholders at the AGM and the Hong Kong Stock Exchange granting listing of, and permission to deal in, the Bonus H Shares.

A circular containing, inter alia, details of the Bonus Issue and notice of the AGM, will be despatched to the H Shareholders as soon as practicable.

## **PROPOSED BONUS ISSUE AND DIVIDEND**

Reference is made to the Company's results announcement for the year ended 31 December 2009 dated 19 April 2010 that, in addition to the recommendation of the Dividend, a Bonus Issue would be proposed to the Shareholders whose names appear on the register of members of the Company on the record date for the A Shareholders and the H Shareholders. The aforesaid proposals are subject to the conditions set out in this announcement.

10% of the profit after tax of RMB12,009 million as stated in the audited financial statements prepared in accordance with the CAS, amounting to RMB1,201 million, was appropriated to statutory surplus reserve. RMB2,900 million was appropriated to general reserve. Profits distributable to Shareholders for the year 2009 under the CAS is RMB12,358 million. An ordinary resolution will be proposed at the AGM to consider and, if thought fit, approve the proposed profit appropriation plan for the year ended 31 December 2009 with respect to (i) subject to the conditions set out in the section headed "Enterprise Income Tax payable by Non-resident Enterprise Shareholders" below, the declaration and payment of the Dividend; and (ii) subject to the fulfillment of the conditions set out in the section headed "Conditions of the Proposed Bonus Issue" below, the Bonus Issue on the basis of two (2) Bonus Shares for every ten (10) existing Shares held by the Shareholders whose names appear on the register of members of the Company at the close of

business on the record date for the A Shareholders and H Shareholders, by capitalising the capital reserve fund of the Company.

Based on a total of 22,262,277,489 Shares (comprising a total of 3,439,275,500 H Shares and a total of 18,823,001,989 A Shares) in issue as of the date of this announcement and on the assumption that no new Shares will be allotted and issued prior to the H Share Record Date, (i) subject to the conditions set out in the section headed “Enterprise Income Tax payable by Non-resident Enterprise Shareholders” below, the Dividend in the amount of approximately RMB172 million (the actual amount in HK dollars will be determined based on the basic rate of Renminbi against Hong Kong dollars as announced by the People’s Bank of China on the date of the AGM), will be paid to, and (ii) subject to the fulfillment of the conditions set out in the section headed “Conditions of the Proposed Bonus Issue” below, a total of 687,855,100 Bonus H Shares will be issued to, the H Shareholders whose names appear on the H Shareholders’ register at the close of business on the H Share Record Date.

#### **Enterprise Income Tax payable by Non-resident Enterprise Shareholders**

In accordance with the Enterprise Income Tax Law of the PRC and the Rules for the Implementation of the Enterprise Income Tax Law of the PRC, both implemented in 2008, with effect from 1 January 2008, the Company shall be obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise shareholders with a tax rate of 10% when the Company distributes any dividends to non-resident enterprise shareholders whose names appear on the register of members for H Shares of the Company. As such, any H Shares of the Company registered other than in the name(s) of individual(s), including HKSCC Nominees Limited, other nominees, trustees, or other organizations or groups, shall be deemed to be H Shares held by non-resident enterprise shareholder(s) and the PRC enterprise income tax shall be withheld from any dividends payable thereon. The Company shall comply with the relevant rules and regulations to withhold and pay the PRC enterprise income tax on behalf of the relevant H Shareholders who are listed in the register of members of H Shares of the Company as of the H Share Record Date.

#### **Conditions of the Proposed Bonus Issue**

The proposed Bonus Issue is conditional upon, among other things:

- (i) the passing of the ordinary resolution to approve the profit appropriation plan (including the Bonus Issue and distribution of the Dividend) for the year ended 31 December 2009 by the Shareholders at the AGM;
- (ii) the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the Bonus H Shares; and
- (iii) compliance with the relevant legal procedures and requirements under the PRC Company Law to effect the Bonus Issue.

#### **Reasons for the Proposed Bonus Issue**

The Board believes that the proposed Bonus Issue will allow the Shareholders to participate in the growth of the Company. In addition, it will provide the Company with a wider share capital base and therefore increase the marketability of the Shares.

## Ranking of the Bonus Shares and Fractional Entitlements

The Bonus Shares will, subject to the articles of association of the Company, when issued, rank *pari passu* in all respects with the Shares then in issue. Holders of the Bonus Shares will be entitled to receive all future dividends and distributions (if any) which are declared and paid after the date on which the Bonus Shares are allotted and issued, but will not be entitled to the Dividend. No fractional Shares will be issued and distributed pursuant to the Bonus Issue.

## Effect of the shareholding after the Bonus Issue

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Bonus Issue (assuming that no new Shares will be allotted or issued prior to the H Share Record Date and the record date for A Shares, and that the conditions set out in the paragraph headed “Conditions of the Proposed Bonus Issue” above will be satisfied):

	As at the date of this announcement		Immediately after completion of the Bonus Issue	
	<u>Number of Shares</u>	<u>%</u>	<u>Number of Shares</u>	<u>%</u>
<b>A Shares</b>	18,823,001,989	84.55	22,587,602,387	84.55
<b>H Shares</b>	3,439,275,500	15.45	4,127,130,600	15.45
	<u>22,262,277,489</u>	<u>100.00</u>	<u>26,714,732,987</u>	<u>100.00</u>

## Listing and Dealings

Application will be made to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonus H Shares.

## Expected Timetable

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

	2010
Latest time for lodging transfers of the H Shares to qualify for entitlement to attend the AGM.....	4:30 p.m., 18 May
H Shareholders' register closed for the AGM.....	From 19 May to 18 June (both days inclusive)
Latest date for lodging reply slips for the AGM .....	28 May
H Share record date for the AGM.....	11 June
Latest time for lodging forms of proxy for the AGM .....	9:00 a.m., 17 June
AGM.....	9:00 a.m., 18 June

H Shareholders' register re-opens .....	21 June
Last day of dealings in the H Shares cum-entitlements to the Bonus H Shares and the Dividend .....	22 June
First day of dealings in the H Shares ex-entitlements to the Bonus H Shares and the Dividend .....	23 June
Latest time for lodging transfers of the H Shares to qualify for entitlements to the Bonus H Shares and the Dividend .....	4:30 p.m., 24 June
H Shareholders' register closed for the Bonus H Shares and the Dividend.....	From 25 June to 30 June (both days inclusive)
H Share Record Date.....	30 June
H Shareholders' register re-opens .....	2 July

Note: The Company will issue a separate announcement regarding the date of despatch of the certificates for the Bonus H Shares and the cheques for the Dividend and the date of the commencement of dealings in the Bonus H Shares.

## General

A circular containing details of, inter alia, the Bonus Issue and notice of the AGM, will be despatched to the H Shareholders as soon as practicable.

## Definitions

“AGM”	the annual general meeting of the Company to be held on 18 June 2010, Friday or any adjournment thereof
“A Share(s)”	domestic ordinary share(s) of RMB1.00 each issued by the Company which is/are subscribed for by domestic investors in Renminbi and are listed for trading on the Shanghai Stock Exchange (stock code: 600016)
“A Shareholder(s)”	holder(s) of A Share(s)
“Board”	the board of Directors of the Company
“Bonus Issue”	proposed issue of the Bonus Shares to the Shareholders whose names appear on the register of members of the Company at the close of business on the record date for the A Shareholders and the H Shareholders on the basis of two (2) Bonus Shares for every ten (10) existing Shares held by them on such record date
“Bonus Share(s)”	new Share(s) to be issued pursuant to the Bonus Issue
“Bonus H Share(s)”	new H Share(s) to be issued pursuant to the Bonus Issue
“CAS”	the China Accounting Standards

“Company”	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 PRC with limited liability in accordance with the PRC Company Law, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
“Director(s)”	the director(s) of the Company
“Dividend”	proposed final dividend of RMB0.50 (inclusive of tax) for every 10 existing Shares held by the Shareholders whose names appear on the register of members of the Company at the close of business on the record date for the A Shareholders and the H Shareholders, payable in RMB to A Shareholders and in HK\$ to H Shareholders
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign invested share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange (stock code:1988) and are subscribed for in HK dollars
“H Shareholder(s)”	holder(s) of H Share(s)
“H Share Record Date”	30 June 2010, the time determined by the Board for determining the H Shareholders’ entitlements to the Bonus Issue and the Dividend
“PRC”	the People’s Republic of China, but for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“PRC Company Law”	the Company Law of the PRC
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	上海證券交易所
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of the Company, including A Share(s) and H Share(s)

By Order of the Board  
**CHINA MINSHENG BANKING CORP., LTD.**  
**Dong Wenbiao**  
Chairman

Hong Kong, 19 April 2010

*As at the date of this announcement, the executive directors of the Company are Mr. Dong Wenbiao, 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. Chen Jian, Ms. Wong Hei, Mr. Shi Yuzhu, Mr. Wang Hang and Mr. Wang Junhui; and the independent non-executive directors are Mr. Andrew Wong, Mr. Wang Songqi, Mr. Liang Jinquan, Mr. Wang Lihua, Mr. Qin Rongsheng and Mr. Han Jianmin.*

\* For identification purpose only