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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in China Minsheng Banking Corp., Ltd., you should at once hand this circular and the accompanying form of proxy and reply slip to the purchaser or transferee or to the bank, stockbroker 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 company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01988)**

**(USD Preference Shares Stock Code: 04609)**

**ANNUAL REPORT FOR 2018  
FINAL FINANCIAL REPORT FOR 2018  
PROPOSED PROFIT DISTRIBUTION PLAN FOR 2018  
ANNUAL BUDGETS FOR 2019  
WORK REPORT OF THE BOARD FOR 2018  
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2018  
APPOINTMENT AND REMUNERATION OF THE AUDITING FIRMS FOR 2019  
APPOINTMENT OF MR. ZHAO FUGAO AS EXTERNAL SUPERVISOR  
EXTENSION OF THE VALIDITY PERIOD OF THE RESOLUTIONS  
ON THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS AND  
THE AUTHORIZATION PERIOD TO THE BOARD AND ITS AUTHORIZED PERSONS  
TO EXERCISE FULL POWER TO DEAL WITH MATTERS RELATING TO THE ISSUANCE  
IMPACTS ON DILUTION OF CURRENT RETURNS OF THE PUBLIC ISSUANCE  
OF A SHARE CONVERTIBLE CORPORATE BONDS AND THE REMEDIAL MEASURES  
REPORT ON UTILIZATION OF PROCEEDS FROM THE PREVIOUS ISSUANCE  
GENERAL MANDATE FOR THE ISSUANCE OF SHARES  
AND  
NOTICE OF THE ANNUAL GENERAL MEETING FOR 2018  
NOTICE OF THE SECOND H SHARE CLASS MEETING FOR 2019**

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The Company will convene the AGM and the Class Meetings at 2:00 p.m. on Friday, 21 June 2019 at Xihua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmennei Avenue, Xicheng District, Beijing, PRC. Notices convening the AGM and the H Share Class Meeting have been sent to the Shareholders pursuant to the Hong Kong Listing Rules on 30 April 2019.

If you intend to appoint a proxy to attend the AGM and/or the Class Meetings, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited (for holders of H Shares) and the office of the Board of the Company (for holders of A Shares) not less than 24 hours before the time fixed for holding the AGM and/or the Class Meetings (i.e. not later than 2:00 p.m. on Thursday, 20 June 2019) in person or by post. Completion and return of the form of proxy will not preclude you from attending the AGM and/or the Class Meetings and voting in person if you so wish.

If you intend to attend the AGM and/or the Class Meetings in person or by proxy, please complete the enclosed reply slip and return the same to Computershare Hong Kong Investor Services Limited (for holders of H Shares) and the office of the Board of the Company (for holders of A Shares) on or before Saturday, 1 June 2019.

\* References to times and dates of this circular are to Hong Kong times and dates.

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
1. Annual Report for 2018 .....	6
2. Final Financial Report for 2018 .....	6
3. Proposed Profit Distribution Plan for 2018 .....	6
4. Annual Budgets for 2019 .....	9
5. Work Report of the Board for 2018 .....	10
6. Work Report of the Board of Supervisors for 2018 .....	10
7. Appointment and Remuneration of Auditing Firms for 2019 .....	10
8. Appointment of Mr. Zhao Fugao as External Supervisor .....	10
9. Resolution on Extension of the Validity Period of the Resolutions on the Public Issuance of A Share Convertible Corporate Bonds and the Authorization Period to the Board and its Authorized Persons to Exercise Full Power to Deal with Matters Relating to the Issuance .....	12
10. Resolution on Impacts on Dilution of Current Returns of the Public Issuance of A Share Convertible Corporate Bonds and the Remedial Measures .....	17
11. Report on Utilization of Proceeds from the Previous Issuance .....	18
12. Granting of General Mandate for the Issuance of Shares to the Board .....	18
 <b>APPENDIX I PLAN OF PUBLIC ISSUANCE AND LISTING OF THE A SHARE CONVERTIBLE CORPORATE BONDS BY CHINA MINSHENG BANKING CORP., LTD.</b> .....	 21
 <b>APPENDIX II PROPOSAL IN RESPECT OF IMPACTS ON DILUTION OF CURRENT RETURNS OF ISSUANCE OF A SHARE CONVERTIBLE BONDS BY CHINA MINSHENG BANKING CORP., LTD. AND THE REMEDIAL MEASURES</b> .....	 30
 <b>APPENDIX III REPORT ON UTILIZATION OF PROCEEDS FROM THE PREVIOUS ISSUANCE BY CHINA MINSHENG BANKING CORP., LTD.</b> .....	 40
 <b>NOTICE OF THE ANNUAL GENERAL MEETING FOR 2018</b> .....	42
 <b>NOTICE OF THE SECOND H SHARE CLASS MEETING FOR 2019</b> .....	45

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## DEFINITIONS

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

“A Shareholder(s)”	holder(s) of A Share(s)
“A Share(s)”	domestic ordinary Share(s) of RMB1.00 each issued by the Company which is/are subscribed for by domestic investors and are listed for trading on the SSE (stock code: 600016)
“A Share Class Meeting”	the second A Share class meeting of the Company for 2019 to be held after the conclusion of the AGM or any adjournment thereof on Friday, 21 June 2019 at Xihua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmennei Avenue, Xicheng District, Beijing, PRC or any adjournment thereof
“A Share Convertible Bonds” or “Convertible Bonds”	convertible corporate bonds in the total amount of not more than RMB50 billion which are convertible into new A Shares, proposed to be issued by the Company
“AGM”	the annual general meeting of the Company for 2018 to be held at 2:00 p.m. on Friday, 21 June 2019 at Xihua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmennei Avenue, Xicheng District, Beijing, PRC or any adjournment thereof, the notice of which is set out in this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“CBIRC”	the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“Former CBRC”	the former China Banking Regulatory Commission (原中國銀行業監督管理委員會)
“Class Meeting(s)”	A Share Class Meeting and/or H Share Class Meeting
“Company” or “Bank”	China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司), a joint stock company incorporated with limited liability in accordance with the Company Law of the People’s Republic of China, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the SSE, respectively
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company

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## DEFINITIONS

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“Cash dividend”	proposed payment of cash dividend of RMB3.45 (tax inclusive) for every 10 Shares to the holders of A Shares and the holders of H Shares whose names appear on the registers of members of the Company as at the close of business on the respective record date
“Group”	the Company and its subsidiaries
“H Share Class Meeting”	the second H Share class meeting of the Company for 2019 to be held after the conclusion of the AGM and the A Share Class Meeting or any adjournment thereof on Friday, 21 June 2019 at Xihua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmennei Avenue, Xicheng District, Beijing, PRC or any adjournment thereof, the notice of which is set out in this circular
“H Shareholder(s)”	holder(s) of H Share(s)
“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: 01988) and are subscribed for in HK dollars
“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 Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issuance of A Share Convertible Bonds”	the proposed public issuance and listing of A Share Convertible Bonds by the Company in accordance with the Proposal in respect of the Issuance of A Share Convertible Bonds
“Issuance of Preference Shares” or “Issuance”	the issuance of the Offshore Preference Shares by the Company according to the preference shares issuance plan
“Latest Practicable Date”	26 April 2019, being the latest practicable date for ascertaining certain information contained in this circular
“Offshore Preference Shares” or “Preference Shares”	the 71,950,000 4.95% non-cumulative perpetual offshore preference Shares of an aggregate amount of US\$1,439,000,000 issued by the Company in the overseas market on 14 December 2016 and listed on the Hong Kong Stock Exchange on 15 December 2016 (stock code: 04609)
“PBOC”	the People’s Bank of China
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular only, excluding Hong Kong, Macau and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“SFO”	Securities and Future Ordinance
“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)
“SSE”	Shanghai Stock Exchange
“Supervisor(s)”	supervisor(s) of the Company



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

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

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**Members of the Board:**

*Executive Directors:*

Mr. Hong Qi

Mr. Zheng Wanchun

*Non-executive Directors:*

Mr. Zhang Hongwei

Mr. Lu Zhiqiang

Mr. Liu Yonghao

Mr. Shi Yuzhu

Mr. Wu Di

Mr. Song Chunfeng

Mr. Weng Zhenjie

*Independent Non-executive Directors:*

Mr. Liu Jipeng

Mr. Li Hancheng

Mr. Xie Zhichun

Mr. Peng Xuefeng

Mr. Liu Ningyu

Mr. Tian Suning

**Registered Address:**

No. 2 Fuxingmennei Avenue,

Xicheng District,

Beijing, China 100031

30 April 2019

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## LETTER FROM THE BOARD

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*To the Shareholders*

Dear Sir or Madam,

**ANNUAL REPORT FOR 2018  
FINAL FINANCIAL REPORT FOR 2018  
PROPOSED PROFIT DISTRIBUTION PLAN FOR 2018  
ANNUAL BUDGETS FOR 2019  
WORK REPORT OF THE BOARD FOR 2018  
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2018  
APPOINTMENT AND REMUNERATION OF THE AUDITING FIRMS FOR 2019  
APPOINTMENT OF MR. ZHAO FUGAO AS EXTERNAL SUPERVISOR  
EXTENSION OF THE VALIDITY PERIOD OF THE RESOLUTIONS  
ON THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS AND  
THE AUTHORIZATION PERIOD TO THE BOARD AND ITS AUTHORIZED PERSONS  
TO EXERCISE FULL POWER TO DEAL WITH MATTERS RELATING TO THE ISSUANCE  
IMPACTS ON DILUTION OF CURRENT RETURNS OF THE PUBLIC ISSUANCE  
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NOTICE OF THE ANNUAL GENERAL MEETING FOR 2018  
NOTICE OF THE SECOND H SHARE CLASS MEETING FOR 2019**

### INTRODUCTION

The purpose of this circular is to provide you (among other things) with additional information to enable you to make informed decisions on whether to vote for or against the resolutions to be proposed at the AGM and the Class Meetings for the following issues (special resolutions are marked by \*):

#### AT THE AGM

1. The resolution regarding the annual report for 2018 of the Company
2. The resolution regarding the final financial report for 2018 of the Company
3. The resolution regarding the proposed profit distribution plan for 2018 of the Company
4. The resolution regarding the annual budgets for 2019 of the Company
5. The resolution regarding the work report of the Board for 2018 of the Company
6. The resolution regarding the work report of the Board of Supervisors for 2018 of the Company
7. The resolution regarding the appointment and remuneration of auditing firms for 2019
8. The resolution regarding the appointment of Mr. Zhao Fugao as External Supervisor

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## LETTER FROM THE BOARD

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- 9.\* The resolution regarding the extension of the validity period of the resolutions on the public issuance of A Share Convertible Corporate Bonds and the authorization period to the Board and its authorized persons to exercise full power to deal with matters relating to the issuance
- 10. The resolution regarding the impacts on dilution of current returns of the public issuance of A Share Convertible Corporate Bonds and the remedial measures
- 11.\* The resolution regarding the report on utilization of proceeds from the previous issuance
- 12.\* The resolution regarding the granting of general mandate for the issuance of Shares to the Board

### AT THE H SHARE CLASS MEETING

- 1.\* The resolution regarding the extension of the validity period of the resolutions on the public issuance of A Share Convertible Corporate Bonds and the authorization period to the Board and its authorized persons to exercise full power to deal with matters relating to the issuance

#### **1. Annual Report for 2018**

Please refer to the annual report for 2018 issued by the Company.

This resolution has been considered and approved at the Board meeting held on 29 March 2019 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

#### **2. Final Financial Report for 2018**

Please refer to the financial report set out in the annual report for 2018 of the Company.

This resolution has been considered and approved at the Board meeting held on 29 March 2019 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

#### **3. Proposed Profit Distribution Plan for 2018**

Please refer to the 2018 annual report of the Company (H Shares) for details of the proposed profit distribution plan for 2018.

According to the financial statements of the Company for 2018, net profit of the Company was RMB49,973 million and the paid dividend of the Offshore Preference Shares was RMB551 million. 10% of the net profit of the Company for 2018, being RMB4,997 million, was allocated to the statutory surplus reserve. As the general provision for risks has complied with the rate of 1.5% of the balance of the risky assets as at the end of 2018, no further general provision for risks was made. The profits distributable to ordinary Shareholders as at the end of December 2018 was RMB187,895 million.

According to the Articles of Association in respect of profit distribution, having considered various factors including relevant provisions of the capital adequacy ratio required by the regulatory authorities and the sustainable development of business of the Company, the Company proposed to distribute to the holders of A Shares and the holders of H Shares whose names appear on the registers as at the record dates a cash dividend of RMB3.45 (tax inclusive) for every 10 shares being held. Based on the number of Shares of the Company issued as at the end of 2018, being 43,782 million Shares, the total cash dividend was approximately RMB15,105 million.



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## LETTER FROM THE BOARD

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The actual amount of total cash dividend to be paid will be subject to the total number of Shares recorded on the registers as at the record dates. The cash dividend will be denominated and declared in RMB, and will be paid in RMB to holders of A Shares and in Hong Kong dollar to holders of H Shares. The actual amount of dividend to be paid in Hong Kong dollar shall be calculated based on the benchmark exchange rate of RMB against Hong Kong dollar as quoted by the PBOC on the date of the AGM.

The cash dividend is expected to be paid to holders of H Shares on 26 July 2019.

The Independent Non-executive Directors of the Company are of the view that the profit distribution proposal for 2018 of the Company is in line with the actual condition of the Company, in the interests of the Company and its Shareholders and in compliance with the relevant laws, regulations and the Articles of Association, and is favourable to the sustainable, stable and sound development of the Company.

The formulation and implementation of the cash dividend policy by the Company are in compliance with the stipulations of the Articles of Association and the requirements stated in the resolutions approved by the general meeting of the Company. The basis and proportion of profit distribution are clearly specified. Effective determination and approval procedures and mechanisms are in place. The said distribution has been examined and approved by the Independent Non-executive Directors. Legitimate rights and interests of minority Shareholders are well protected by being entitled to attend the AGM to exercise their voting rights and make proposals or enquiries on the operations of the Company.

### ***Taxation***

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementation regulations (the “**EIT Law**”), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H Shares registered under the name of non-individual enterprise, including the H Shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organisations or entities, shall be deemed as Shares held by non-resident enterprise Shareholders (as defined under the EIT Law). The Company will distribute the dividend to those non-resident enterprise Shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC or which was established pursuant to the laws of foreign countries (regions) but has established effective administrative entities in the PRC, and whose name appears on the Company’s H share register should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and relevant documents to Company’s H share register, Computershare Hong Kong Investor Services Limited, in due course, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa (1993) No. 045 Document (《關於國稅發(1993)045號文件廢止後有關個人所得稅徵管問題的通知》) (the “**Notice**”) issued by the State Administration of Taxation on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprise which has issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax with a tax rate of 10% in general.

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## LETTER FROM THE BOARD

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However, the tax rates for respective overseas resident individual Shareholders may vary depending on the relevant tax agreements between the countries of their residence and Mainland China. Thus, 10% individual income tax will be withheld from the dividend payable to any individual Shareholders of H Shares whose names appear on the H share register of members of the Company on the record date, unless otherwise stated in the relevant taxation regulations, tax treaties or the Notice.

### *Profit Distribution to Investors of Northbound Trading*

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of the Company listed on the SSE (the “**Northbound Trading**”), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such Shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded. The record date and the date of distribution of cash dividends and other arrangements for the investors of Northbound Trading will be the same as those for the holders of A Shares of the Company.

### *Profit Distribution to Investors of Southbound Trading*

- For investors of the SSE and the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), the cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H Shares of the Company. Below are relevant taxation policies: Shanghai-Hong Kong Stock Connect: Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)》), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.
- Shenzhen-Hong Kong Stock Connect: Pursuant to the relevant requirements under the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)》), for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

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## LETTER FROM THE BOARD

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Shareholders are suggested to consult their tax consultants regarding the tax impacts in China, Hong Kong and other countries (regions) for holding and selling the Company's Shares.

This resolution has been considered and approved at the Board meeting held on 29 March 2019 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval. The proposed profit distribution plan for 2018 shall be subject to the approval of the Shareholders at the AGM.

#### **4. Annual Budgets for 2019**

##### ***(1) Additional fixed asset investment budget***

The additional fixed asset investment budget of the Group is RMB4.878 billion (excluding fixed assets held under operating lease). Details are as follows:

##### ***A. Properties and buildings***

It is expected that properties and buildings for 2019 will be increased by RMB3.673 billion, of which RMB1.809 billion will be used for the purchase of new properties, RMB1.175 billion will be transferred from ongoing constructions, and the remaining RMB0.689 billion will be used to pay renovation costs and balance payments for existing properties.

##### ***B. Operating equipment***

It is expected that operating equipment for 2019 will be increased by RMB0.511 billion, which will be used mainly for the purchase of business equipment and office facilities, etc.

##### ***C. Transportation equipment***

It is expected that transportation equipment for 2019 will be increased by RMB0.064 billion, which will be used mainly for the purchase of office vehicles, etc.

##### ***D. Technical equipment***

It is expected that technical equipment for 2019 will be increased by RMB0.63 billion, which will be used mainly for the purchase of technical equipment.

##### ***(2) The regulatory requirements of major regulatory indicators such as capital adequacy ratio has been fulfilled***

This resolution has been considered and approved at the Board meeting held on 29 March 2019 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

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## LETTER FROM THE BOARD

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### **5. Work Report of the Board for 2018**

Please refer to the relevant contents in the annual report for 2018 of the Company for the main content of the work report of the Board for 2018.

This resolution has been considered and approved at the Board meeting held on 29 March 2019 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

### **6. Work Report of the Board of Supervisors for 2018**

Please refer to the relevant contents in the annual report for 2018 of the Company for the main content of the work report of the Board of Supervisors for 2018.

This resolution has been considered and approved at the meeting of the Board of Supervisors held on 29 March 2019 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

### **7. Appointment and Remuneration of Auditing Firms for 2019**

Reference is made to the announcement of the Company dated 27 December 2018 in respect of the proposed appointment of auditing firms for 2019.

In accordance with the relevant requirements of the Articles of Association and the Administrative Measures of Engagement of Accounting Firm of China Minsheng Banking Corp., Ltd., the term of the same accounting firm engaged by the Company shall not exceed eight consecutive years. The term of auditing services provided by KPMG Huazhen LLP and KPMG Certified Public Accountants, the domestic and overseas external auditors of the Company for 2018, will be eight years upon the end of their term of services in 2018. Upon the Company's public tender process and review, the Board proposed to appoint PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the domestic and overseas external auditors of the Company for 2019 with a term of one year. The audit fee for 2019 will be RMB8.5 million (comprising audit service charges for financial reports (domestic and overseas), review service charges for interim report, agreed-upon-procedure service charges for quarterly financial reports, audit service charges for internal control and audit service charges for tier-two capital bonds and financial bonds) with value added tax and various charges such as training and travelling expenses included.

This resolution has been considered and approved at the Board meetings held on 27 December 2018 and is hereby proposed to the AGM as ordinary resolution for consideration and approval.

### **8. Appointment of Mr. Zhao Fugao as External Supervisor**

Reference is made to the announcement on the nomination of external Supervisor of the Company dated 18 April 2019.

The seventh session of the Board of Supervisors of the Company was elected in February 2017 and comprised nine members, including three employee Supervisors, three shareholder Supervisors and three external Supervisors. On 3 July 2018, Mr. Cheng Guoqi, a former external Supervisor of the Company, tendered his resignation because he would need to devote more time and attention to other business commitments, effective from 3 July 2018. According to the Guidelines for the Board of Supervisors of Commercial Banks (《商業銀行監事會工作指引》) issued by the Former CBRC, external supervisors shall

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## LETTER FROM THE BOARD

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take up to one-third of all supervisors. In order to comply with the regulatory requirements in respect of the proportion of external supervisors, the Board of Supervisors agreed to nominate Mr. Zhao Fugao as the candidate for external Supervisor of the seventh session of the Board of Supervisors of the Company at the AGM (the “**Proposed External Supervisor**”).

The biographical details of Mr. Zhao Fugao as required to be disclosed by rule 13.51(2) of the Hong Kong Listing Rules are as follows:

Mr. Zhao Fugao was born in 1955. Mr. Zhao successively served as section member, deputy section head, deputy division head, division head, deputy president and president of the Sichuan Branch of China Construction Bank Corporation (listed on the Hong Kong Stock Exchange, stock code: 00939; listed on the SSE, stock code: 601939) from January 1982 to June 2006. He also served as the president of the Chengdu Branch of China Construction Bank Corporation from January 1998 to February 2000. Mr. Zhao was the general manager of the personal deposit and investment department in the head office of China Construction Bank Corporation from June 2006 to March 2011, and the person in charge of the preparatory group for insurance business of China Construction Bank Corporation from March 2011 to June 2011. Mr. Zhao was the president and vice chairman of CCB Life Insurance Company Limited from June 2011 to October 2015, and was also the head of preparatory team of CCB Property & Casualty Insurance Co., Ltd. and CCB Life Asset Management Company Limited from November 2015 to May 2016. Mr. Zhao obtained a bachelor's degree in economics from Hubei University of Finance and Economics (currently known as Zhongnan University of Economics and Law) in January 1982. He is a senior economist and an expert entitled to a special government allowance provided by the State Council.

Subject to adjustments pursuant to the requirements of relevant applicable laws and regulations, the term of office of the Proposed External Supervisor shall be the same as that of the current session of the Board of Supervisors. Remuneration of the Proposed External Supervisor, after being appointed, shall be determined in accordance with the Remuneration Policy of Directors and Supervisors of China Minsheng Banking Corp., Ltd.

Save as disclosed in this circular, the Proposed External Supervisor does not have any other relationship with other Directors, Supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company, and does not have any interests in the Shares as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). There is no other information in relation to the Proposed External Supervisor which is subject to disclosure pursuant to rule 13.51(2)(h) to rule 13.51(2)(v) of the Hong Kong Listing Rules, and he is not involved and has not been involved in any activity subject to disclosure pursuant to rule 13.51(2)(h) to rule 13.51(2)(v) of the Hong Kong Listing Rules. The Proposed External Supervisor did not act as a director or supervisor in other listed companies in the last three years, and did not hold other positions in the Company or its subsidiaries. There is no other matter that shall be brought to the attention of the Shareholders of the Company.

This resolution has been considered and approved at the meeting of the Board of Supervisors held on 18 April 2019 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

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## LETTER FROM THE BOARD

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### **9. Resolution on Extension of the Validity Period of the Resolutions on the Public Issuance of A Share Convertible Corporate Bonds and the Authorization Period to the Board and its Authorized Persons to Exercise Full Power to Deal with Matters Relating to the Issuance**

References are made to, among other things, the Resolution regarding the Proposal in respect of the Plan of Public Issuance and Listing of A Share Convertible Corporate Bonds, the Resolution regarding the Proposal in respect of Feasibility Analysis Report of the Use of Proceeds from Public Issuance of the A Share Convertible Corporate Bonds, the Resolution regarding the Proposal in respect of Impacts on Dilution of Current Returns of Public Issuance of A Share Convertible Corporate Bonds and the Remedial Measures, the Resolution regarding the Report of the Use of Proceeds from the Previous Issuance and the Resolution regarding the Proposal in respect of the Authorization to the Board of Directors of the Company and its Authorized Persons to Exercise Full Power to Deal with Matters relating to the Public Issuance and Listing of A Share Convertible Corporate Bonds considered and passed at the 2016 annual general meeting, the second A share class meeting for 2017 and the second H share class meeting for 2017 of Company held on 16 June 2017, as well as, among other things, the Resolution regarding the Extension of the Validity Period of the Resolutions on the Public Issuance of A Share Convertible Corporate Bonds and the Authorization Period to the Board and its Authorized Persons to Exercise Full Power to Deal with Matters relating to the Issuance and Listing of A Share Convertible Corporate Bonds considered and passed at the 2017 annual general meeting, the second A share class meeting for 2018 and the second H share class meeting for 2018 of the Company held on 21 June 2018 (the “**Relevant Resolutions on the Public Issuance of A Share Convertible Bonds**” or the “**Relevant Resolutions on the Convertible Bonds**”).

The issuance of A Share Convertible Bonds is subject to the approval by relevant regulatory authorities in the PRC. As of the date of this circular, the application for the issuance is subject to the approval by the CBIRC and the CSRC, and the time of obtaining such approval is unpredictable to the Company. The validity period of the Relevant Resolutions on the Convertible Bonds and the authorization period for the Board and its authorized persons upon proposal to the AGM and the Class Meetings to exercise full power to deal with the matters relating to the Issuance of the Convertible Bonds will soon expire. In order to ensure the implementation of the Issuance of A Share Convertible Bonds, the Board will propose at the AGM and the Class Meetings of the Company for, the extension of the validity period of the Relevant Resolutions on the Convertible Bonds for twelve months and the authorization period for the Board and its authorized persons from the AGM and the Class Meetings to exercise full power to deal with matters relating to the issuance of the Convertible Bonds for twelve months. Details of the resolution are as follows:

#### ***1. Validity period of the resolutions***

The extended validity period of the Relevant Resolutions on the Convertible Bonds shall be twelve months upon approval at the AGM and the Class Meetings.

#### ***2. Authorization for the Issuance of the Convertible Bonds***

The Board proposes to the AGM and the Class Meetings to authorize the Board, which in turn can delegate authority to the chairman, Board secretary, president and other personnel of the senior management, to jointly or solely handle the relevant matters of the Issuance of the Convertible Bonds with full discretions within the framework and principles approved by the AGM and the Class Meetings. The term of the authorization shall be twelve months from the date on which the resolution of the AGM and the Class Meetings takes effect. Before the expiry of the authorization, the Board



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## LETTER FROM THE BOARD

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will propose to the AGM and the Class Meetings of the Company the approval of a new authorization, taking into account the actual situation of the Issuance of the Convertible Bonds. The specific terms and scope of the authorization include but are not limited to:

- (I) Within the scope permitted by the relevant laws and regulations and the resolutions of the AGM and the Class Meetings, and in accordance with the requirements of the relevant regulatory authorities and the actual situation of the Company, before the Issuance come into effect, the specific terms and conditions of the issuance and the issuance plan shall be clearly defined, and the final plan of the Issuance shall be formulated and implemented, which include but are not limited to the determination of the size, format and target investor(s) of the Issuance, interest rate of the bonds, the conversion terms, the terms on redemption, the size of the preferential allotment to the existing A Shareholders, rating arrangements and others, so as to determine the timing and all other matters related to the Issuance;
- (II) If there are changes in the national laws and regulations, or in the policies governing the issuance of Convertible Bonds of relevant regulatory authorities, or if there are changes in market conditions, unless such changes are related to the relevant laws and regulations, the regulations in the Articles of Association and matters required by the regulatory authorities to be re-voted by the AGM and the Class Meetings, appropriate revisions, adjustments and supplements can be carried out on the specific arrangements for the Issuance within the scope permitted by the relevant laws and regulations, and in accordance with the opinions of the regulatory authorities and the actual conditions of the Company and the market;
- (III) The establishment of the special account for fund-raising for the Issuance;
- (IV) The handling of the matters related to the listing of the Convertible Bonds after the completion of the Issuance; modification of the terms in Articles of Association in connection with the Issuance in a timely manner after taking into account the situation of the Issuance and conversion; the handling of the matters related to the approval and business filing of the amendments of the Articles of Association and changes in registered capital;
- (V) The analysis, research and demonstration of the dilution effects of the Issuance of the Convertible Bonds on current returns, in accordance with the relevant laws and regulations and requirements of regulatory authorities; the formulation and implementation of relevant measures to make up for the current returns, or the modifications, supplements and improvements of the relevant analysis and measures under the existing framework according to the new policies and regulations, regulations on implementation, or self-disciplinary regulations to be introduced in the future, and to handle other relevant matters with full discretion;
- (VI) The Company shall determine which intermediary to hire for the Issuance, and, in accordance with the requirements of the regulatory authorities, handle matters related to the reporting of the Issuance; produce, prepare, modify, perfect, sign and submit all the documents related to the Issuance and the listing; and sign, modify, supplement, execute and suspend all relevant contracts, agreements and other important documents related to the Issuance (including but not limited to the sponsor agreement, the underwriting agreement, the fund-raising regulatory agreement, the agreements on the appointment of intermediary, etc.), and handle matters related to the information disclosure of the Issuance in accordance with regulatory requirements;

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## LETTER FROM THE BOARD

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- (VII) Within the scope permitted by laws and regulations, and in accordance with the opinions of the regulatory authorities and the actual situation of the Company, to carry out the appropriate revisions, adjustments and supplements on the specific terms and conditions of the Convertible Bonds in the Issuance;
- (VIII) In circumstances permitted by the relevant laws and regulations, take all necessary actions to determine/handle other matters related to the Issuance.

To propose to the AGM and the Class Meetings to authorize the Board to handle the following matters with full discretion during the period the Convertible Bonds in the Issuance are outstanding, in a manner in accordance with the laws and regulations, permitted by the Articles of Association and the relevant regulatory authorities, and within the framework and principles approved by the AGM and the Class Meetings:

- (I) Matters related to redemption: to authorize the Board to handle all matters related to redemption with full discretion, in a manner in accordance with the requirements of laws and regulations, the approval of the relevant regulatory authorities (if required), the requirements in the Articles of Association and market conditions, such matters include but are not limited to the timing of redemption, redemption ratio and the execution procedures;
- (II) Matters related to conversion: to authorize the Board to handle all matters related to conversion with full discretion, in a manner in accordance with the requirements of laws and regulations, the requirements in the Articles of Association and market conditions, such matters include but are not limited to the adjustments of the Conversion Price; the timely amendments to the relevant provisions related to registered capital in the Articles of Association taking into account the conversion situation of the Convertible Bonds; the handling of approval and business filing of the amendments of the Articles of Association; and matters related to the approval and registration of business changes with respect to the changes in registered capital.

### Hong Kong Listing Rules Implications

As certain existing A Shareholders are considered associates of Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Shi Yuzhu and Mr. Liu Yonghao, being the Non-executive Directors of the Company, such existing A Shareholders constitute connected persons of the Company. In addition, certain connected persons of the Company, including Mr. Wang Jiazhi, being a Supervisor of the Company, and Anbang Life Insurance Co., Ltd., a substantial Shareholder of the Company, are also existing A Shareholders. The subscription of the A Share Convertible Bonds initially by existing A Shareholders on a pro rata basis (the “**Existing Shareholders’ Tranche**”) and the subscription of the portion to be offered to the market generally (which could be participated in by existing Shareholders or non-Shareholders) through a combination of offline placement to institutional investors and online issuance to public investors (the “**Excess Applications Tranche**”) by Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Shi Yuzhu, Mr. Liu Yonghao, Mr. Wang Jiazhi and Anbang Life Insurance Co., Ltd. and/or their respective associates



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## LETTER FROM THE BOARD

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(the “**Connected A Shareholders**”) and the subscription of the A Share Convertible Bonds under the Excess Applications Tranche by any connected person of the Company would constitute connected transactions under Chapter 14A of the Hong Kong Listing Rules, subject to the announcement, circular, independent Shareholders’ approval (including independent financial advice) and reporting requirements under the Hong Kong Listing Rules.

Hence, the right of any Connected A Shareholder to make applications under the Existing Shareholders’ Tranche or the Excess Applications Tranche will be subject to the Company’s compliance with the necessary requirements under Chapter 14A of the Hong Kong Listing Rules, including the obtaining of approval from independent Shareholders separately. If the connected transaction resolution is not approved by the independent Shareholders at the separate general meeting, the existing independent A Shareholders would still have a pre-emptive right to subscribe for the A Share Convertible Bonds under the Excess Applications Tranche and all connected persons (including the Connected A Shareholders) would not be allowed to subscribe for any A Share Convertible Bonds.

### **Effect on Shareholding Structure of the Company**

The initial conversion price of the Convertible Bonds shall not be lower than the average trading price of A Shares 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 the offering document of the Convertible Bonds and the lower of the most recent audited net asset value per Share and the average trading price of the A Shares for the five trading days preceding the date of the resolution of the first extraordinary meeting of the seventh session of the Board (being 2 May 2017). The actual initial conversion price shall be determined by the Board of the Company with reference to the market conditions, according to the authorization of the AGM and the Class Meetings. The above complies with the principle for determining the initial conversion price stated in the Administrative Measures for the Issuance of Securities by Listed Companies of the China Securities Regulatory Commission (《中國證券監督管理委員會上市公司證券發行管理辦法》). The actual initial conversion price will be determined before the Issuance of A Share Convertible Bonds. As of the Latest Practicable Date of this Circular, the Company has fixed a minimum initial conversion price of RMB7.81 per Share, which represents the average trading price of the A Shares for the five trading days preceding the date of the resolution of the first extraordinary meeting of the seventh session of the Board (being 2 May 2017).

The initial conversion price can only be determined before the date of publication of the offering document according to the pricing mechanism. In practise, the initial conversion price would be higher than RMB7.81 per Share, having adopted the fixed minimum initial conversion price. Using the minimum initial conversion price of RMB7.81 per Share and given the total size of the Issuance will not be more than RMB50 billion, the maximum number of A Shares to be converted would be 6,402,048,655 A Shares.

## LETTER FROM THE BOARD

Set out below are the Company's shareholdings structure (i) as of the Latest Practicable Date, and (ii) immediately upon completion of the full conversion of the A Shares Convertible Bond into A Shares (based on the initial conversion price of RMB7.81 per Share and assuming (a) an offering of RMB50 billion A Share Convertible Bonds; (b) with full exercise of pre-emptive rights by all the Connected A Shareholders in proportion to the shareholding percentage in the Company's A Shares as at the date of the resolution of the first extraordinary meeting of the seventh session of the Board (being 2 May 2017); and (c) the full conversion of the A Shares Convertible Bonds into A Shares):

Shareholders	As of the Latest Practicable Date			Immediately upon completion of the full conversion of the A Shares		
	Number of Shares	Approximate percentage of relevant class of issued Shares (%)	Approximate percentage of total issued ordinary Shares (%)	Number of Shares	Approximate percentage of relevant class of issued Shares (%)	Approximate percentage of total issued ordinary Shares (%)
<b>A Shares</b>						
Anbang Life Insurance Co., Ltd. <sup>(Note 1)</sup> and its close associates	7,352,284,689	20.73%	16.79%	8,679,607,478	20.73%	17.30%
Zhang Hongwei <sup>(Note 2)</sup> and his close associates	3,048,721,959	8.60%	6.96%	3,599,113,886	8.60%	7.17%
Lu Zhiqiang <sup>(Note 3)</sup> and his close associates	2,019,182,618	5.69%	4.61%	2,383,709,731	5.69%	4.75%
Liu Yonghao <sup>(Note 4)</sup> and his close associates	1,930,715,189	5.44%	4.41%	2,279,271,097	5.44%	4.54%
Shi Yuzhu <sup>(Note 5)</sup> and his close associates	1,379,679,587	3.89%	3.15%	1,628,755,926	3.89%	3.25%
Wang Jiazhi <sup>(Note 6)</sup>	911,664	0.00%	0.00%	1,076,249	0.00%	0.00%
Public Shareholders of A Shares <sup>(Note 7)</sup>	19,730,627,507	55.64%	45.07%	23,292,637,501	55.64%	46.41%
<b>Total issued A Shares</b>	<b>35,462,123,213</b>	<b>100.00%</b>	<b>81.00%</b>	<b>41,864,171,868</b>	<b>100.00%</b>	<b>83.42%</b>
<b>H Shares</b>						
Anbang Life Insurance Co., Ltd. <sup>(Note 1)</sup> and its close associates	457,930,200	5.50%	1.05%	457,930,200	5.50%	0.91%
Zhang Hongwei <sup>(Note 2)</sup> and his close associates	415,188,600	4.99%	0.95%	415,188,600	4.99%	0.83%
Lu Zhiqiang <sup>(Note 3)</sup> and his close associates	1,020,538,470	12.27%	2.33%	1,020,538,470	12.27%	2.03%
Public Shareholders of H Shares <sup>(Note 7)</sup>	6,426,638,019	77.24%	14.68%	6,426,638,019	77.24%	12.81%
<b>Total issued H Shares</b>	<b>8,320,295,289</b>	<b>100.00%</b>	<b>19.00%</b>	<b>8,320,295,289</b>	<b>100.00%</b>	<b>16.58%</b>
<b>Total Shares held by public Shareholders</b>	<b>26,157,265,526</b>	<b>59.74%</b>	<b>59.74%</b>	<b>29,719,275,520</b>	<b>59.22%</b>	<b>59.22%</b>
<b>Total issued Shares</b>	<b>43,782,418,502</b>	<b>100.00%</b>	<b>100.00%</b>	<b>50,184,467,157</b>	<b>100.00%</b>	<b>100.00%</b>

**Notes:**

- As at the Latest Practicable Date, Anbang Life Insurance Co., Ltd. held approximately 17.84% of the Shares in the Company and was a substantial Shareholder of the Company. Anbang Life Insurance Co., Ltd was thus a core connected person of the Company, and the shareholding of Anbang Life Insurance Co., Ltd and its close associates in the Company would not be deemed as part of the public float.
- As at the Latest Practicable Date, Zhang Hongwei was a Non-executive Director of the Company and was thus a core connected person of the Company, and the shareholding of Zhang Hongwei and his close associates in the Company would not be deemed as part of the public float. Orient Group Incorporation and Huaxia Life Insurance Co., Ltd. entered into an acting in concert agreement on 29 June 2016 and a supplemental agreement to the acting in concert agreement on 27 December 2018. Orient Group Co., Ltd. and Huaxia Life Insurance Co., Ltd. entered into an acting in concert agreement on 27 December 2018. As at the Latest Practicable Date, Orient Group Co., Ltd. directly held 35,000,000 ordinary A Shares of the Company and indirectly held 1,280,117,123 ordinary A Shares of the Company through its subsidiary, Orient Group Incorporation, representing 3.00% of the total share capital of the Company in aggregate. Huaxia Life Insurance Co., Ltd. held 1,733,604,836 ordinary A Shares and 415,188,600 H Shares of the Company, representing 4.91% of the total share capital of the Company in aggregate. Orient Group Co., Ltd. and Huaxia Life Insurance Co., Ltd. held 7.91% of the total share capital of the Company in aggregate.

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## LETTER FROM THE BOARD

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3. As at the Latest Practicable Date, Lu Zhiqiang was a Non-executive Director of the Company and was thus a core connected person of the Company, and the shareholding of Lu Zhiqiang and his close associates in the Company would not be deemed as part of the public float.
  4. As at the Latest Practicable Date, Liu Yonghao was a Non-executive Director of the Company and was thus a core connected person of the Company, and the shareholding of Liu Yonghao and his close associates in the Company would not be deemed as part of the public float.
  5. As at the Latest Practicable Date, Shi Yuzhu was a Non-executive Director of the Company and was thus a core connected person of the Company, and the shareholding of Shi Yuzhu and his close associates in the Company would not be regarded as part of the public float.
  6. As at the Latest Practicable Date, Wang Jiazhi was an Employee Supervisor of the Company and was thus a core connected person of the Company, whose shareholding in the Company would not be regarded as part of the public float.
  7. The Shares held by the public referred to in this circular are based on relevant definition under the Hong Kong Listing Rules.
- \* The above numbers of shares reflected the interests and short positions of the relevant core connected persons and substantial shareholders as at the Latest Practicable Date as well as to the reasonable knowledge of the Company. However, these numbers of shares may not be reported in the disclosure forms completed by these persons because the changes in their interests did not result in a disclosure obligation in accordance with Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Plan of Issuance of the A Share Convertible Bonds as approved by the 2016 annual general meeting, the second A share class meeting for 2017 and the second H share class meeting for 2017 is disclosed in Appendix I to this circular for Shareholders' reference.

This resolution has been considered and approved at the Board meeting held on 29 March 2019 and is hereby proposed to the AGM and the Class Meetings as a special resolution for consideration and approval. As of the Latest Practicable Date, Anbang Life Insurance Co., Ltd., Mr. Zhang Hongwei and Mr. Lu Zhiqiang and their respective close associates, holding both A Shares and H Shares of the Company, will abstain from voting in the AGM and the H Share Class Meeting on the Resolution regarding the Extension of the Validity Period of the Resolutions on the Public Issuance of A Share Convertible Corporate Bonds and the Authorization Period to the Board and its Authorized Persons to Exercise Full Power to Deal with Matters relating to the Issuance.

### **10. Resolution on Impacts on Dilution of Current Returns of the Public Issuance of A Share Convertible Corporate Bonds and the Remedial Measures**

In accordance with the Several Opinions of the State Council on Further Promoting the Healthy Development of Capital Market (Guo Fa [2014] No. 17) (《國務院關於進一步促進資本市場健康發展的若干意見》(國發[2014]17號)), Opinions of the Office of State Council on Further Strengthening the Protection of Legal Interests of Small and Medium Investors in Capital Market (Guo Ban Fa [2013] No. 110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》(國辦發[2013]110號)) and the Guidelines on Matters relating to Impacts of Dilution of Current Returns of Initial Offering and Re-financing and Major Asset Reorganization (CSRC Notice [2015] No. 31) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》(證監會公告[2015]31號)), the Board shall form a proposal with an analysis on whether the current returns would be diluted by the financing of the Company, remedial measures to be adopted and relevant commitment and submit the resolution for review and approval at the Shareholders' meeting. The Company has conducted the analysis of the effects of the public issuance and listing of the Convertible Bonds on ordinary Shareholders' equity and current returns, and formulated relevant remedial measures in accordance with actual situation.

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## LETTER FROM THE BOARD

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Details of the proposal in respect of Impacts on Dilution of Current Returns of the Public Issuance of A Share Convertible Corporate Bonds and the Remedial Measures of China Minsheng Banking Corp., Ltd. are set out in Appendix II to this circular.

This resolution has been considered and approved at the Board meeting held on 29 March 2019 and is hereby proposed to the AGM as an ordinary resolution for consideration and approval.

### **11. Report on Utilization of Proceeds from the Previous Issuance**

Reference is made to the announcement of the Company dated 8 December 2016 in relation to the proposed Issuance of Preference Shares. In accordance with the Administrative Measures for the Issuance of Securities by Listed Companies (《上市公司證券發行管理辦法》) of the CSRC, the Company has prepared a report on utilization of proceeds from the Issuance of Preference Shares.

Details of the Report on the Utilization of Proceeds from the Previous Issuance of China Minsheng Banking Corp., Ltd. are set out in Appendix III to this circular.

This resolution has been considered and approved at the Board meeting held on 29 March 2019 and is hereby proposed to the AGM as a special resolution for consideration and approval.

### **12. Granting of General Mandate for the Issuance of Shares to the Board**

In order to fulfill the capital requirement for sustainable business development of the Company by flexibly and effectively utilizing the financing platform of the place where the Company is listed, according to the actual situation of the securities market, the Company proposes to the AGM to grant the general mandate to the Board to allot, issue and/or deal with, separately or concurrently, newly issued Shares (including ordinary Shares and Preference Shares) not exceeding 20% of the respective number of issued A Shares and/or H Shares of the Company on the date of approval by the Shareholders' general meeting to grant the general mandate and enter into or grant offers, agreements, Share subscription rights or conversion rights (including warrants, convertible bonds and other securities which carry rights to subscribe for or convert into Shares) that are required or may be required for the allotment and issuance of the Shares. Details are as follows:

- (1) In accordance with the applicable laws and regulations of the PRC, Hong Kong Listing Rules (as amended from time to time) and the Articles of Association, the Board is hereby granted, during the Relevant Period (as hereafter defined), an unconditional general mandate to separately or concurrently allot, issue and/or deal with newly issued Shares (including ordinary and Preference Shares) of the Company, and to make or grant offers, agreements, options or conversion rights (including warrants, convertible bonds and other securities which carry rights to subscribe for or are convertible into Shares), which would or might require the allotment of Shares, subject to the conditions stated in items A, B and C in this paragraph:
  - A. such mandate shall not extend beyond the Relevant Period save that the Board and/or the authorized persons of the Board may, during the Relevant Period, make or grant offers, agreements, Share subscription rights or conversion rights which would or might require the implementation or exercise of such powers upon or beyond the end of the Relevant Period;

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## LETTER FROM THE BOARD

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- B. the respective amounts of newly issued Shares (including ordinary Shares and Preference Shares) proposed to be allotted, issued and/or dealt with or agreed conditionally or unconditionally to be allotted, issued and/or dealt by the Board and/or the authorized persons of the Board and offers, agreements, Share subscription rights or conversion rights (including warrants, convertible bonds and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the allotment of Shares and are made or granted by the Board, shall not exceed 20% of the respective amounts of the A Shares and/or H Shares in issue of the Company as at the date of the passing of this resolution at the Shareholders' general meeting (among others the class and number of Offshore Preference Shares which are convertible into ordinary Shares to be issued shall be subject to those of ordinary Shares after conversion); and
  - C. the Board and/or the authorized persons of the Board shall only exercise the above authorization in accordance with the Company Law of the PRC and the Hong Kong Listing Rules (as amended from time to time) or any applicable laws, regulations and rules of any other competent governments or regulatory authorities, and only if all necessary approvals from the CSRC and/or other relevant PRC government authorities are obtained.
- (2) for the purposes of this resolution, the "Relevant Period" means the period from the time of the passing of this resolution until whichever is the earliest of:
- A. the conclusion of the next annual general meeting of the Company following the passing of this resolution; or
  - B. the expiration of the 12-month period following the passing of this resolution at the Shareholders' general meeting; or
  - C. the revocation or variation of the authority given to the Directors under this resolution by a special resolution of the Company's Shareholders by way of a Shareholders' general meeting.
- (3) based on the actual conditions such as the method, class and number of Shares issued and the Company's structure of Share capital after such issuance, the Board and/or the authorized persons of the Board shall be authorized to make, at the appropriate time, such amendments to the Articles of Association as appropriate and necessary to reflect the new structure of Share capital and the registered capital (if applicable) of the Company, and to make any other action and complete any formality required (including but not limited to obtaining the approvals from the relevant regulatory authorities and the handling of any registration and filing procedures) to give effect to the issuance of Shares pursuant to this resolution.
- (4) for the purpose of enhancing efficiency of the decision making process, the Board may delegate such authorization to relevant parties to take charge of all matters related to the issue of Shares.

This resolution has been considered and approved at the Board meeting held on 29 March 2019 and is hereby proposed to the AGM as a special resolution for consideration and approval.

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## LETTER FROM THE BOARD

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### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 22 May 2019 to Friday, 21 June 2019 (both days inclusive), during which period no transfer of Shares will be effected. For unregistered H Shareholders who intend to attend the AGM and/or the H Share Class Meeting, all Share certificates and the relevant transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 21 May 2019. H Shareholders whose names appear on the register of members of the Company on Wednesday, 22 May 2019 will be entitled to attend and vote at the AGM and/or the H Share Class Meeting.

The register of members of the Company will be closed from Thursday, 27 June 2019 to Tuesday, 2 July 2019 (both days inclusive), during which period no transfer of Shares of the Company will be effected. For unregistered H Shareholders who wish to be eligible to receive the cash dividend, all Share certificates and the transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 26 June 2019. H Shareholders whose names appear on the register of members of the Company on Tuesday, 2 July 2019 will be entitled to receive the dividend (subject to the approval by Shareholders at the AGM).

### VOTING BY POLL AT AGM AND THE CLASS MEETINGS

Pursuant to rule 13.39(4) of the Hong Kong Listing Rules, all votes of the Shareholders at the AGM and the Class Meetings of the Company must be taken by poll. As such, the chairman of the meeting will require a poll for all resolutions proposed at the AGM and the Class Meetings.

On a poll, every Shareholder present in person or by proxy or, being a corporation, by its duly authorized representative shall have one vote for each Share registered in his/her/its name in the register of members. Shareholders entitled to more than one vote need not cast all their votes or cast all their voting rights in the same way in accordance with Article 127 of the Articles of Association.

### RECOMMENDATION

The Board considers that all the resolutions mentioned above are in the best interests of the Company and its Shareholders. As such, the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the AGM and the Class Meetings.

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

**PLAN OF PUBLIC ISSUANCE AND  
LISTING OF THE A SHARE CONVERTIBLE CORPORATE BONDS BY  
CHINA MINSHENG BANKING CORP., LTD.**

**I. TYPE OF SECURITIES TO BE ISSUED**

The securities to be issued by the Company are convertible bonds which can be converted into A Shares. The Convertible Bonds and A Shares to be converted from the Convertible Bonds will be listed on the Shanghai Stock Exchange.

**II. ISSUE SIZE**

The total amount of the proposed Convertible Bonds will not exceed RMB50 billion. The actual size of the Issuance of A Share Convertible Bonds shall be determined by the Board within the above range, subject to the authorization by the Shareholders in general meeting.

**III. PAR VALUE AND ISSUE PRICE**

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

**IV. TERM**

The term of the Convertible Bonds will be six years from the date of the Issuance of A Share Convertible Bonds.

**V. INTEREST RATE**

The Board proposes to the Shareholders in general meeting to authorize the Board to determine the methods for determination of nominal interest rate and the final interest rate for the interest accrual year in accordance with PRC policies, market conditions and the actual conditions of the Company, prior to the issuance of the Convertible Bonds.

**VI. METHOD AND TIMING OF INTEREST PAYMENT**

**(I) Calculation of annual interest**

The interest of each interest accrual year (the “**Annual Interest**”) means the interest accrued to the holder of the Convertible Bonds (the “**Convertible Bond Holder**”) 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 is:  $I = B \times i$

“**I**”: denotes the Annual Interest;

“**B**”: denotes the aggregate nominal value of the Convertible Bonds held by a Convertible Bond Holder as at the record date for interest payment in an interest accrual year (“**that year**” or “**each year**”); and

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



**(II) 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.
3. Record date for interest payment: The record date for interest payment in each year will be the last trading day 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 Convertible Bond Holders whose Convertible Bonds have been applied to be converted into A Shares on or before the record date for interest payment.
4. Tax payable on the interest income of a Convertible Bond Holder shall be borne by such Convertible Bond Holder.

**VII. 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.

**VIII. DETERMINATION AND ADJUSTMENT OF THE CONVERSION PRICE OF THE CONVERTIBLE BONDS****(I) Basis for determining the initial conversion price for the Convertible Bonds (the “Conversion Price”)**

The initial Conversion Price of the Convertible Bonds shall not be lower than the average trading price of A Shares 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 the offering document of the Convertible Bonds and the lower of the most recent audited net asset value per Share and the average trading price of A Shares for the five trading days preceding the date of the Board resolution. The actual initial Conversion Price shall be determined by the Board of the Company with reference to the market conditions, subject to the authorization by the Shareholders in general meeting.



**(II) Method of adjustments to the Conversion Price**

The Conversion Price is subject to adjustment upon the Issuance in case of certain events which affect the share capital of the Company and lead to distribution of cash dividends, such as distribution of share dividends, capitalization, issuance of new Shares or rights issue (excluding any increase in the share capital as a result of conversion of the Convertible Bonds). The Company will adjust the Conversion Price based on the actual situation and in accordance with the principles of fairness, justice, equality and full protection of the Convertible Bond Holders' interests. The specific formulas for adjustments to the Conversion Price will be determined by the Board of the Company pursuant to relevant requirements as set out in the offering document.

Upon occurrence of any of the abovementioned changes in shareholding and/or Shareholder's interests, the Company will adjust the Conversion Price in accordance with the methods determined, and an announcement of the adjustment of the Conversion Price shall be made on the publications designated by the CSRC for information disclosure of listed companies. The announcement will indicate the date of adjustment to the Conversion Price, adjustment method and suspension period of share conversion (if necessary). An announcement will also be published (if necessary) in the Hong Kong market in accordance with the Hong Kong Listing Rules (as amended from time to time) and the Articles of Association. If the Conversion Price adjustment date is on or after the date on which a Convertible Bond Holder applies for conversion of his Convertible Bonds but before the registration date of the Shares to be issued upon conversion, then such conversion will be executed based on the adjusted Conversion Price.

In the event that the Convertible Bond Holders' creditor's interests, 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 circumstances, the Company will adjust the Conversion Price based on the actual situation and in accordance with the principles of fairness, justice and equality so as to fully protect of the Convertible Bond Holders' interests. The details of adjustments to Conversion Price and its implementation measures shall be determined in accordance with the prevailing relevant PRC laws and regulations and the relevant requirements of the securities regulatory authorities.

**IX. DOWNWARD ADJUSTMENT TO CONVERSION PRICE****(I) Limitation of adjustment right and the magnitude of adjustment**

If, during the term of the Convertible Bonds issued hereunder, the closing prices of the A Shares in any 15 trading days out of any 30 consecutive trading days are lower than 80% of the prevailing Conversion Price, the Company may propose a downward adjustment to the Conversion Price to the Shareholders in general meeting for their consideration and approval within ten business days from the date of occurrence of the abovementioned circumstance.

In the event that an adjustment to the Conversion Price by the Company is made due to ex-rights or ex-dividend during the aforementioned trading days, in respect of the trading days prior to the adjustment to the Conversion Price, the calculation shall be based on the unadjusted Conversion Price and the closing price of the Shares on each such day, and in respect of the days on which adjustment to the Conversion Price is made and the trading days afterwards, the calculation shall be based on the adjusted Conversion Price and the closing price of the shares on each such day.

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

**(II) Procedure of adjustment**

If the Company decides to make a downward adjustment to the Conversion Price, the Company will publish an announcement in the print media and the website designated by the CSRC. The information disclosed will include the resolutions of Shareholders' general meeting in relation to the magnitude of the adjustment, the registration date of Shares and the suspension period of share conversion. An announcement will also be published (if necessary) in the Hong Kong market if it is required by the Hong Kong Listing Rules and the Articles of Association. Application for conversion of the Convertible Bonds at adjusted Conversion Price shall be resumed upon the first trading day after the registration date, i.e. the Conversion Price adjustment date.

If the adjustment date of the Conversion Price is on or after the date on which a Convertible Bond Holder applies for conversion of the Convertible Bonds but before the date of registration of the Shares to be issued upon such conversion, then such conversion will be executed based on the adjusted Conversion Price.

**X. METHOD FOR DETERMINING THE NUMBER OF SHARES FOR CONVERSION**

Where a Convertible Bond Holder applies to convert the Convertible Bonds held by him/her 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.

In the aforesaid formula, "V" denotes the aggregate nominal value of the Convertible Bond in respect of which the Convertible Bond Holder applies for conversion, and "P" denotes the prevailing 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 Convertible Bond Holder 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 "XII. Terms of Redemption" for details of the method of calculation of the interest accrued).

**XI. ENTITLEMENT TO DIVIDEND IN THE YEAR OF CONVERSION**

The new 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 Shares of the Company, and all Shareholders whose names are recorded on the register of members of the Company on the record dates for dividend distribution shall be entitled to receive the dividend of that period.

**XII. TERMS OF REDEMPTION****(I) Terms of redemption at maturity**

Within five trading days upon the maturity of the Convertible Bonds, the Company will redeem all the Convertible Bonds from investors which have not been converted into 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 authorization at the Shareholders' general meeting.

**(II) Terms of conditional redemption**

During the conversion period of the Convertible Bonds, if the closing price of the A Shares in at least 15 trading days out of any 30 consecutive trading days is equal to or higher than 130% of the prevailing Conversion Price, the Company shall have the right to redeem all or part of the outstanding Convertible Bonds, at a price equal to the nominal value of the Convertible Bonds plus then accrued interest, subject to the approval from relevant regulatory authorities (if necessary)<sup>(1)</sup>. In the event that an adjustment to the Conversion Price is made due to ex-rights or ex-dividend during the aforementioned trading days, the calculation shall be made based on unadjusted Conversion Price relating to, and the closing price of, the trading day prior to such adjustment, and on the adjusted Conversion Price relating to, and the closing price of, the trading day after such adjustment.

In addition, when the aggregate nominal value of the balance of the outstanding Convertible Bonds issued hereunder is less than RMB30 million, the Company shall have the right to redeem all the Convertible Bonds which have not been converted into Shares at a price equal to the nominal value plus then accrued interest.

Formula for calculating then accrued interest is:

$$IA = B \times i \times t/365$$

IA : Accrued interest for the current period;

B : Aggregate nominal value of the Convertible Bonds issued hereunder that are held by the Convertible Bond Holder 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 (excluding the redemption date).

<sup>(1)</sup> The right to redeem all or part of the outstanding Convertible Bonds, provided that the Company has obtained the approval of the CBIRC, shall arise when the terms of conditional redemption have been satisfied and the Company decides to exercise the right to redeem all or part of the outstanding Convertible Bonds.

### **XIII. TERMS OF SALE BACK**

If the actual usage of the proceeds from the issuance of the Convertible Bonds by the Company differs from the undertaking of the use of proceeds set out by the Company in the offering document, and such difference is considered by the CSRC as a deviation in the use of the proceeds, the Convertible Bond Holder will be entitled to a one-off right to sell the Convertible Bonds back to the Company at the nominal value plus then accrued interest. Under this scenario, the Convertible Bond Holder may sell their Convertible Bonds back to the Company during the sale back declaration period after it is announced by the Company. If the Convertible Bond 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 Convertible Bond Holder.

### **XIV. 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 those prohibited by PRC laws and regulations.

### **XV. SUBSCRIPTION ARRANGEMENT FOR THE EXISTING A SHAREHOLDERS**

The existing A Shareholders shall have pre-emptive rights to subscribe for the Convertible Bonds to be issued. They shall, however, also have the right to surrender such rights of subscription. The actual amount of the Convertible Bonds to be preferentially allocated to the existing A Shareholders shall be determined by the Board with reference to the market conditions before the issuance, subject to the authorization at the Shareholders' general meeting, and shall be disclosed in the offering document of the Convertible Bonds. The exercise of such preferential allocation is subject to the Company Law of the PRC, the Hong Kong Listing Rules and all other applicable laws, rules and regulations (including but not limited to the regulations and requirements related to connected transactions) of government or regulatory authorities.

### **XVI. CONVERTIBLE BONDS HOLDERS AND THEIR MEETINGS**

#### **(I) Rights and obligations of Convertible Bond Holders**

##### ***1. Rights of Convertible Bond Holders***

- (1) to receive agreed interests in accordance with the number of the Convertible Bonds held by Convertible Bond Holders;
- (2) to convert the Convertible Bonds held by Convertible Bond Holders into A Shares of the Company according to the agreed conditions;
- (3) to exercise right of sale back on agreed conditions;
- (4) to assign, bestow or pledge the Convertible Bonds held by Convertible Bond Holders in accordance with the laws, administrative regulations and the Articles of Association;

- (5) to receive relevant information in accordance with the laws and the Articles of Association;
- (6) to request the Company to repay the principal and interest of the Convertible Bonds within the agreed period and by the agreed manner;
- (7) other rights as creditors of the Company prescribed by applicable laws, administrative regulations and Articles of Association.

**2. *Obligations of the Convertible Bond Holders***

- (1) to abide by the relevant terms of the 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 make prepayment of the principal and interest of the Convertible Bonds, unless otherwise required by applicable laws and regulations, or otherwise agreed in the offering document of the Convertible Bonds;
- (4) other obligations of the Convertible Bond Holder prescribed by applicable laws, administrative regulations and the Articles of Association.

**(II) Convertible Bond Holders' Meetings**

**1. *Circumstances under which Convertible Bonds Holders' meetings shall be convened***

A Convertible Bond 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 Convertible Bond Holders.

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

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

**2. *Convening of Convertible Bond Holders' meetings***

- (1) A Convertible Bond Holders' meeting shall be convened and chaired by the Board;
- (2) The Board of the Company shall, within 30 days after the proposal of the meeting has been raised or received by the Board, convene the meeting of Convertible Bond Holders. The Board of the Company shall publish a notice in at least one designated media for information disclosure of listed companies at least 15 days prior to the meeting, which shall specify the specific time, venue, agenda, and methods, etc. as confirmed by the Board.

**3. *Attendance of the Convertible Bond Holders' meetings***

Unless otherwise required by applicable laws and regulations, the Convertible Bond Holders have the right to attend the Convertible Bond Holders' meeting in person or by proxy to exercise their voting rights.

The following entities or persons may attend the Convertible Bond Holders' meetings as non-voting attendees and submit proposals at the meetings for discussion and decision of the meeting:

- (1) the issuer of the Bonds;
- (2) other key related parties.

The Board should engage attorneys to attend the Convertible Bond Holders' meetings and issue legal opinions in relation to the calling and convening of the meetings, voting procedures, and qualifications of the attendees of the meetings.

**4. *Procedures of the Convertible Bond Holders' meetings***

- (1) The chairman of the meeting shall 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 the proposals. The resolution of the Convertible Bond Holders' meetings will be effective upon witness by an attorney;
- (2) A Convertible Bond Holders' meeting shall be chaired by the Chairman of the Board. In the absence of the Chairman of the Board, the meeting shall be chaired by a director authorized by the Chairman of the Board. If neither the Chairman of the Board nor the director authorized by the Chairman of the Board is able to chair the meeting, the meeting shall be chaired by a Convertible Bond Holder elected by Convertible Bond Holders representing at least 50% (exclusive) of par value of Convertible Bonds present at the meeting;
- (3) The convener should record the attendees of the meeting, which shall indicate the name (or entity name), identity card number, domicile, the par value of the Convertible Bonds with voting rights held or represented by the attendee and the name (or entity name) of Convertible Bonds Holder being represented.

**5. *Voting and resolution of the Convertible Bond Holders' meeting***

- (1) Each Convertible Bond represents one vote in the Convertible Bond Holders' meeting;
- (2) Convertible Bond Holders shall vote by open ballot in the Convertible Bond Holders' meeting;
- (3) A resolution of the Convertible Bond 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) All the items and sub-items contained in the proposals at the Convertible Bond Holders' meetings should be considered and voted separately;
- (5) A resolution of Convertible Bond Holders' meeting will be valid after it has been resolved by the Convertible Bond Holders at the Convertible Bond Holders' meeting, and for resolutions subject to approval by the CSRC or other regulatory authorities<sup>(2)</sup>, the resolution will be effective from the date of approval or confirmation of the relevant approval;
- (6) Unless expressly agreed that special compensation shall be made to the Convertible Bond Holders voting against the resolution or failing to attend the meeting, a resolution shall have equal effect on all Convertible Bond Holders;
- (7) After a resolution is adopted by the Convertible Bond Holders' meeting, the Board of the Company shall notify the Convertible Bond Holders by an announcement and be responsible to execute such resolution.

6. The subscription or otherwise holding of the Convertible Bonds by the Convertible Bond Holders shall be deemed as their consent to the aforementioned procedures of the Convertible Bond Holders' meetings.

**XVII. USE OF PROCEEDS**

The proceeds from the Issuance of A Share Convertible Bonds will be utilised to support the future development of business, and after the conversion of the Convertible Bonds, the proceeds will be used to replenish the core tier-one capital of the Company in accordance with relevant regulatory requirements.

**XVIII. GUARANTEE AND SECURITY**

There is no guarantee or security in relation to the Issuance of A Share Convertible Bonds.

**XIX. VALIDITY PERIOD OF THE RESOLUTIONS**

The resolutions in respect of the Issuance of A Share Convertible Bonds will be valid for 12 months from the date on which the relevant resolutions are passed at the Shareholders' general meeting and the Class Meetings.

<sup>(2)</sup> Depending on the contents and the nature of such resolutions passed by Convertible Bond Holders at the Convertible Bond Holders' meeting, such resolutions may be subject to approval by different regulatory authorities including but not limited to the CBIRC and the PBOC



**Impacts on Dilution of Current Returns of the Public Issuance of  
A Share Convertible Corporate Bonds of  
China Minsheng Banking Corp., Ltd. and the Remedial Measures**

In accordance with the Several Opinions of the State Council on Further Promoting the Healthy Development of Capital Market (Guo Fa [2014] No.17) (《國務院關於進一步促進資本市場健康發展的若干意見》(國發[2014]17號)), Opinions of the Office of State Council on Further Strengthening the Protection of Legal Interests of Small and Medium Investors in Capital Market (Guo Ban Fa [2013] No.110) (《國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見》(國辦發[2013]110號)) and the Guidelines on Matters relating to Impacts of Dilution of Current Returns of Initial Offering and Re-financing and Major Asset Reorganization (CSRC Notice [2015] No.31) (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》(證監會公告[2015]31號)), the Board of the Company shall form a proposal with an analysis on whether the current returns would be diluted by the financing of the Company, remedial measures to be adopted and relevant commitment and submit the resolution for review and approval at the Shareholders' meeting. The Company has conducted the analysis of the effects of the public issuance and listing of the Convertible Bonds on ordinary Shareholders' equity and current returns, and formulated relevant remedial measures in accordance with actual situation.

**I. Analysis on the Impacts of the Dilution of Current Rate of Return of the Issuance of the Convertible Bonds**

**(I) Assumptions**

The impacts of the Issuance of the Convertible Bonds on the Company's key financial figures and financial indicators are measured mainly on basis of the following assumptions:

1. The Company assumes no material negative changes in the macroeconomic environment, industry development trend and the Company's operation in 2019.
2. The Company assumes that the Issuance of the Convertible Bonds will be closed by the end of May 2019 and all Convertible Bonds will be converted to Shares by the end of November 2019. The timing is purely for calculating the impacts of the dilution of the current rate of return resulting from the Issuance of the Convertible Bonds on the key financial figures and financial indicators, subject to the approval of the CSRC and the actual completion of the Company's Issuance of the Convertible Bonds.
3. The Company assumes that the proceeds from the Company's Issuance of the Convertible Bonds will be no more than RMB50 billion, without regard to the impact of the issuance expenses. The proceeds actually generated from the Issuance of the Convertible Bonds will be determined on basis of such factors as the approval of the regulatory authorities, the subscription of the issuance and the issuance expenses.



4. According to the Plan of Public Issuance and Listing of A Share Convertible Corporate Bonds by China Minsheng Banking Corp., Ltd. (《關於中國民生銀行股份有限公司公開發行A股可轉換公司債券並上市方案》)<sup>1</sup>, the Company assumes that the minimum initial Conversion Price of the Convertible Bonds is RMB7.81 per share with 1 March 2019 as the pricing benchmark date, which shall not be lower than the average trading price of the Company's A Shares in the 20 trading days prior to the date of the publication of the offering documents and the average trading price of the Company's A Shares on the trading day prior to the date of the offering documents, and the lower of the latest audited net asset value per Share and the average trading price of the Company's A Shares in the five trading days prior to the date of the announcement regarding the resolution of the first extraordinary meeting of the seventh session of the Board of the Company. The Conversion Price aforesaid is only used to calculate the impacts of the dilution of the current rate of return resulting from the Issuance of the Convertible Bonds on the key financial figures and financial indicators, and the final initial Conversion Price shall be determined by the Board of the Company, under the authorization of the Shareholders' general meeting, based on the market conditions prior to the offering, possibly with ex-rights, ex-dividend adjustment or downward revisions.
5. The Company assumes that the coupon rate of the Convertible Bonds for the first year is 0.2%. The coupon rate is only derived by simulation and does not constitute any forecast of the numerical value of the effective coupon rate.
6. At the moment, the Company has not considered the impacts of the proceeds generated from the Issuance on the Company's production, operation and financial conditions (e.g. financial expenses, efficiency in the use of capital).
7. The Company completed the issuance of Offshore Preference Shares of US\$1.439 billion on 14 December 2016. The dividend rate of the Preference Shares is 4.95% and the effective dividend rate is 5.5% after deduction of income tax withheld by the issuer. Assuming that the dividends of Preference Shares is paid for a full interest-bearing year of 2019, the total dividends shall be RMB551 million, calculated at an exchange rate as at the date of the announcement of the proposed dividend distribution of the Preference Shares for 2018 (US\$1 in exchange for RMB6.9574).
8. The Company assumes no major changes in the macroeconomic environment, the development of the banking industry and the Company's business environment. While measuring, the Company assumes a growth of 0%, 3% and 6% as compared with 2018, respectively, in the net profit attributable to the Company's Shareholders and in the net profit attributable to the Company's Shareholders after non-recurring profit and loss in 2019.
9. The Company assumes no other factors (including profit distribution, mandatory conversion of Preference Shares) which can cause changes to the ordinary share capital other than the conversion of the Convertible Bonds to ordinary Shares.
10. The earnings per share ("EPS") is calculated according to relevant provision in the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 9 — Calculation and Disclosure of Return on Equity and Earnings Per Share.

<sup>1</sup> The plan had been considered and approved by the annual general meeting for 2016, the second A share class meeting for 2017 and the second H share class meeting for 2017 of the Company.

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**APPENDIX II                      PROPOSAL IN RESPECT OF IMPACTS ON DILUTION OF CURRENT RETURNS OF  
ISSUANCE OF A SHARE CONVERTIBLE BONDS BY  
CHINA MINSHENG BANKING CORP., LTD. AND THE REMEDIAL MEASURES**

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**(II) Impacts on the Company's key financial indicators**

Based on the above assumptions, the impacts of the Issuance of the Convertible Bonds on the Company's key financial figures and financial indicators are as follows:

1. Scenario 1: 0% year-on-year growth in both the net profit attributable to the Company's Shareholders and the net profit attributable to the Company's Shareholders after non-recurring profit and loss.

Item	For the year of 2018/as at 31 December 2018	For the year of 2019/ as at 31 December 2019	
		Before full conversion to shares	Full conversion to shares
Total ordinary share capital (million shares) . . .	43,782	43,782	50,184
Weighted average ordinary share capital (million shares) . . . . .	43,782	43,782	44,316
Net profit attributable to the shareholders of the Company (RMB million) . . . . .	50,327	50,327	50,327
Net profit attributable to the shareholders of the Company, after non-recurring profit and loss (RMB million) . . . . .	50,506	50,506	50,506
Net profit attributable to the ordinary shareholders of the Company (RMB million) . . . . .	49,776	49,776	49,776
Net profit attributable to the ordinary shareholders of the Company, after non-recurring profit and loss (RMB million) . . . . .	49,955	49,955	49,955
Basic EPS attributable to the ordinary shareholders of the parent company (RMB) . . . . .	1.14	1.14	1.12
Diluted EPS attributable to the ordinary shareholders of the parent company (RMB) . . . . .	1.14	1.05	1.05
Basic EPS attributable to the ordinary shareholders of the parent company, after non-recurring profit and loss (RMB) . . . . .	1.14	1.14	1.13
Diluted EPS attributable to the ordinary shareholders of the parent company, after non-recurring profit and loss (RMB) . . . . .	1.14	1.05	1.05

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**APPENDIX II                      PROPOSAL IN RESPECT OF IMPACTS ON DILUTION OF CURRENT RETURNS OF  
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2. Scenario 2: 3% year-on-year growth in both the net profit attributable to the Company's Shareholders and the net profit attributable to the Company's Shareholders after non-recurring profit and loss.

Item	For the year of 2018/as at 31 December 2018	For the year of 2019/ as at 31 December 2019	
		Before full conversion to shares	Full conversion to shares
Total ordinary share capital (million shares) . . .	43,782	43,782	50,184
Weighted average ordinary share capital (million shares) . . . . .	43,782	43,782	44,316
Net profit attributable to the shareholders of the Company (RMB million) . . . . .	50,327	51,837	51,837
Net profit attributable to the shareholders of the Company, after non-recurring profit and loss (RMB million) . . . . .	50,506	52,021	52,021
Net profit attributable to the ordinary shareholders of the Company (RMB million) . . . . .	49,776	51,286	51,286
Net profit attributable to the ordinary shareholders of the Company, after non-recurring profit and loss (RMB million) . . . . .	49,955	51,471	51,471
Basic EPS attributable to the ordinary shareholders of the parent company (RMB) . . . . .	1.14	1.17	1.16
Diluted EPS attributable to the ordinary shareholders of the parent company (RMB) . . . . .	1.14	1.08	1.08
Basic EPS attributable to the ordinary shareholders of the parent company, after non-recurring profit and loss (RMB) . . .	1.14	1.18	1.16
Diluted EPS attributable to the ordinary shareholders of the parent company, after non-recurring profit and loss (RMB) . . .	1.14	1.08	1.08

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**APPENDIX II                      PROPOSAL IN RESPECT OF IMPACTS ON DILUTION OF CURRENT RETURNS OF  
ISSUANCE OF A SHARE CONVERTIBLE BONDS BY  
CHINA MINSHENG BANKING CORP., LTD. AND THE REMEDIAL MEASURES**

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3. Scenario 3: 6% year-on-year growth in both the net profit attributable to the Company's Shareholders and the net profit attributable to the Company's Shareholders after non-recurring profit and loss.

Item	For the year of 2018/as at 31 December 2018	For the year of 2019/ as at 31 December 2019	
		Before full conversion to shares	Full conversion to shares
Total ordinary share capital (million shares) . . .	43,782	43,782	50,184
Weighted average ordinary share capital (million shares) . . . . .	43,782	43,782	44,316
Net profit attributable to the shareholders of the Company (RMB million) . . . . .	50,327	53,347	53,347
Net profit attributable to the shareholders of the Company, after non-recurring profit and loss (RMB million) . . . . .	50,506	53,536	53,536
Net profit attributable to the ordinary shareholders of the Company (RMB million) . . . . .	49,776	52,796	52,796
Net profit attributable to the ordinary shareholders of the Company, after non-recurring profit and loss (RMB million) . . . . .	49,955	52,986	52,986
Basic EPS attributable to the ordinary shareholders of the parent company (RMB) . . . . .	1.14	1.21	1.19
Diluted EPS attributable to the ordinary shareholders of the parent company (RMB) . . . . .	1.14	1.11	1.11
Basic EPS attributable to the ordinary shareholders of the parent company, after non-recurring profit and loss (RMB) . . .	1.14	1.21	1.20
Diluted EPS attributable to the ordinary shareholders of the parent company, after non-recurring profit and loss (RMB) . . . . .	1.14	1.12	1.12

**(III) Notes to the measurement**

The above assumptions and measurement in relation to the impacts of the Issuance of the Convertible Bonds on the Company's key financial figures and financial indicators are not representative of the Company's judgment of the operation and development trend in 2019, and do not constitute the Company's earnings forecasts. Investors shall not rely on this when making decisions on investment. The Company assumes no liability for the losses incurred therefrom.

## **II. RISKS IN RELATION TO THE DILUTION OF CURRENT RATE OF RETURN DUE TO THE ISSUANCE OF THE CONVERTIBLE BONDS**

After the Issuance of the Convertible Bonds is closed, the number of the Company's all outstanding dilutive potential ordinary Shares will increase correspondingly. Without regard to the financial return of the proceeds, the diluted EPS and the diluted EPS after non-recurring profit and loss may both decline in the year when the Issuance of the Convertible Bonds of the Company is closed.

After the Issuance of the Convertible Bonds is closed and before the conversion of the Convertible Bonds, the Company needs to pay interests at the pre-set coupon rate with regard to the Convertible Bonds which are not converted to shares. Since the coupon rate of the Convertible Bonds is generally low, the earnings growth as a result of the Company's use of proceeds will exceed the interest paid to Convertible Bonds investors in normal cases, which will not lead to reduction of the Company's overall income. In extreme cases, the Company may face risk of a decline in its after-tax profit and dilution impacts on the current rate of return of the holders of the Company's ordinary shares, if the earnings growth as a result of the Company's use of proceeds is unable to cover the interests paid to Convertible Bonds investors.

After the Convertible Bonds held by the investors are converted to shares in part or in full, the Company's total share capital will increase correspondingly, which will dilute the shareholding of the existing Shareholders, the return on equity and the EPS of the Company.

In addition, a downward revision clause for Conversion Price has been provided under the Convertible Bonds. Where the clause is triggered, the Company may apply for downward revision of the Conversion Price, which may expand the share capital as a result of the Convertible Bonds conversion and hence increase the potential dilution of the Convertible Bonds conversion on the existing Shareholders of the Company.

## **III. NECESSITY AND RATIONALITY OF THE ISSUANCE OF THE CONVERTIBLE BONDS**

Upon conversion, the Convertible Bonds will further replenish the capital base and improve the capital adequacy ratio of the Company, further strengthen the Company's capability to resist risks, consolidate the capital foundation for the sustainable business development of the Company, and contribute to enhancing the core competitiveness of the Company and achieving its strategic goals.

### **(I) Improving the capital adequacy ratio to meet the regulatory requirements**

With the official implementation of the Basel III and the Rules Governing Capital Management of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》), the Company is experiencing more stringent capital regulatory requirements in its process of operation. Pursuant to the Circular of the CBRC on Issues Concerning the Arrangement in the Transition Period in Implementing the Rules Governing Capital Management of Commercial Banks (Provisional) (Yin Jian Fa [2012]No.57) (《中國銀監會關於實施〈商業銀行資本管理辦法(試行)〉過渡期安排相關事項的通知》(銀監發[2012]57號)), the core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio of the domestic commercial banks shall meet the regulatory requirements of 7.5%, 8.5% and 10.5% by the end of the transition period (end of 2018), while those of systematically important commercial banks shall reach 8.5%, 9.5% and 11.5%, respectively. As of

31 December 2018, the core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio of the Company were 8.93%, 9.16% and 11.75%, respectively. With the Company's continued business development and asset expansion, the capital adequacy levels of the Company are expected to drop.

Therefore, the Company still needs to satisfy the regulatory requirements of capital adequacy on an ongoing basis by replenishing its capital through various channels including the issuance of the Convertible Bonds, in addition to its earnings retention. The public issuance of the Convertible Bonds can effectively replenish the Company's core tier-one capital, helping the Company to improve its capital adequacy and lay a solid capital foundation for the Company's sustainable and healthy development.

**(II) Satisfying the business needs and strengthening the ability to withstand risks**

In recent years, the Company has improved its capital adequacy through various channels including internal accumulation, asset and liability management, and external financing, providing strong supports to the Company's business operation and development. However, the Company needs to further replenish its capital due to the continued rapid business development and credit expansion. The Convertible Bonds offered this time, after being converted to shares, can be used to replenish the Company's core tier-one capital, provide sufficient capital support to the Company's business development, and ensure the smooth implementation of the Company's development strategies, which is important to enhance the Company's competitiveness and maintain stable earnings.

At the current level of capital adequacy, the Company possesses some ability to withstand general risks. As one of the major joint-stock commercial banks in China, however, in order to better respond to uncertainties in future development of macro-economy, further improve the strength of the Company in serving the development of China's economy in the transition period, reinforce its risk resistance ability in response to the rapid changes in the complex international environment and domestic macro-economy, achieve its goal of prudent operation and better protect the interests of the depositors and investors, it is necessary for the Company to further shore up its capital and capital adequacy ratio.

**IV. RELATIONSHIP BETWEEN THE INVESTMENT PROJECT FINANCED BY THE PROCEEDS AND THE COMPANY'S EXISTING BUSINESS, AND THE COMPANY'S RESERVES FOR THE FINANCING AND INVESTMENT PROJECTS IN TERMS OF PERSONNEL, TECHNOLOGY AND MARKET**

**(I) Relationship between the Investment Project Financed by the Proceeds and the Company's Existing Business**

The proceeds from the Public Issuance of the Convertible Bonds will be used to finance the Company's continued and steady business development, which complies with the capital regulatory requirements and the Company's long-term development strategies, helping enhance the Company's business development momentum and risk resistance ability and improve the competitive edge and earnings, so as to provide sufficient credit supports to the development of the real economy and create reasonable and stable investment return for the Company's shareholders.

**(II) The Company's Reserves for the Financing and Investment Projects in Terms of Personnel, Technology and Market**

The Company's management team has been engaged in the financial and banking business for a long time. It is a prudent and specialized operation and management team, backed by the extensive financial knowledge and work experiences of its members. The Company strives to improve the input and output efficiency of the human resources, and continues to optimize the mechanism of human resource allocation, to ensure the concentration of human resources on key businesses, and to enhance the incentive and restriction mechanisms and the performance management. Furthermore, the Company actively expands the staff's career path by building a talent bank for reserve cadres and professionals at various levels, and a talent bank for its overseas institutions in response to the "Going Global" strategy of China. The Company also pushes forward delicacy management to consolidate the foundation for human resource management and meet the Company's needs for talents in its pursuit of sustainable development.

**V. THE COMPANY'S MEASURES FOR REPLENISHING THE RATE OF RETURN****(I) Operation conditions and development trend of the Company's existing business segments, major risks and improvement measures*****1. Operation conditions and development trend of the Company's existing business segments***

In 2019, the Company accurately grasped the economic and financial situations in its response to changes in the external business environment and regulatory policies under the correct leadership of the Board. While putting more efforts to the implementation of the Phoenix Project (鳳凰計劃), the Company also accelerated its business structural optimization and adjustment. According to the three major strategic positionings of becoming "a bank for the non-state-owned enterprises (NSOEs), a fintech-based bank and a bank of comprehensive services", the Company continued to improve the risk management system, enhanced the asset quality management, and promoted the reform and innovation to boost the sustainable and stable development of the Company's business.

***2. Major risks and improvement measures of the Company***

Major risks that the Company faces in its business operation include credit risk, liquidity risk, market risk, operation risk, country risk and reputation risk. The Company manages risks under the philosophy that "risk management creates value". By adhering to the coordinated development of quality, efficiency and scale, the Company has actively promoted the implementation of the Basel III and the construction of the comprehensive overall risk management system, which has effectively improved its risk management ability, supported its business development and strategic transition, enhanced the Company's core competitiveness and protected the long-term interests of its employees and customers. In this way, the shareholders' value is maximized. In face of the significant change in the financial ecosystem, the Company will push forward its reform and transformation to enhance the awareness of risk management and strengthen comprehensive risk management capability. The Bank will fully leverage on its comprehensive strengths and optimise the asset structure with emphasis on their quality. The Company will grasp business opportunities in the future and ensure a healthy and orderly development of the Bank.



**(II) Specific measures for improving the Company's performance**

In response to the changes of external environment and the needs of organic growth, the Company has formulated a mid-to-long term development strategy for the next decade and accelerated the promotion of the Phoenix Project. According to its mid-to-long term development strategy, the Company aims to become a benchmark bank with distinctive features, increased value and continuous innovation and under the three strategic positionings, namely a bank for the NSOEs, a fintech-based bank and a bank of comprehensive services. The Company will uphold its four main development objectives of “becoming a bank well known for its continuous innovation, pursuit of excellence, global deployment and win-win cooperation” and establish a new four-wheeled business model of financing with capital, intelligence, commerce and internet in order to further expand to new markets.

Under the new strategies and the Phoenix Project, the Company focused on improving its quality and efficiency. The Company put great efforts in enhancing the performance of its three major businesses of direct banking, small business finance and investment banking, further consolidating its three leading businesses of credit cards, financial service platform for supply chain and asset management and strengthening the five major business segments of corporate banking, retail banking, financial market, internet finance and integrated service, aiming to transform itself into a digitalized, light-weighted and integrated benchmark bank. In particular, the Company established an integrated financial service system comprising scenarised transaction bank, a customised investment bank and a convenient online bank providing personalized entrepreneur services and integrated wealth management services, which facilitated the Company to pursue higher efficiency in addition to scale expansion during its development. The Company expanded the personal financing and wealth management business and established three special customer groups, including NSOE ecosystem customer group, small business customer group and private banking entrepreneur customer group. The development of online and scenarised financial services were accelerated. In respect of interbank business, the Company optimized the management of interbank customers and optimized the interbank liabilities structure. In active response to the new regulations on asset management, the Company progressively transformed the product and business models, such as promoting the comprehensive financial service for custody to support the steady development of custody business. In order to grasp the opportunities of transaction business, the Company also made precise research and analysis on the market trend. By making full use of the emerging financial technology, the Company took the initiatives to explore the new development model of internet finance. The Company continued to establish overseas organisations and network steadily. Capitalising on the overseas business platform, the Company strengthened the cross-selling ability and business synergic effects to enhance its cross-border financial services. International competitiveness and influence of the Company have been increasing. Besides, the Company enhanced its comprehensive risk management, and established a risk management system to accommodate, guide, promote and protect its business development. The culture of risk management was reformed through refining the duties of the Internal Control and Compliance Department, Legal Affairs Department and Audit Department. The internal control and compliance framework of the Company was also consolidated in line with the risk management measures supporting the strategic business development. The ability of non-performing assets disposal was enhanced. To optimise the allocation of assets, liabilities and financial resources, the Company formulated effective capital strategies, scientific pricing strategies and prudent liquidity strategies, which contributed to the thorough improvement in the utilisation efficiency of financial resources, refined financial accounting, professional financial management and supporting role of the financial platform.

The Company will pay close attention to the opportunities and challenges arising from the changing business environment. Aiming to accomplish the three major tasks to serve the real economy, prevent and mitigate financial risks and promote financial reform, the Company will endeavor to maintain its sound operation, promote reform and transformation, accelerate restructuring, develop new growth momentum for profits and strengthen risk prevention and control to solidify the management foundation for a sustainable and health development.

## **VI. COMMITMENTS OF ALL DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

All Directors and senior management personnel of the Company undertake to perform their duties faithfully and diligently, to safeguard the legitimate rights and interests of the Company and all the Shareholders. In accordance with the relevant requirements of the CSRC, Directors and senior management of the Company have undertaken the following to ensure the concrete implementation of the measures for replenishing the rate of return:

- (I) They will not harm the Company's interests by tunnelling to other units or individuals free of charge or unfairly or in other manners;
- (II) They will act in a diligent and thrifty way, and restrict the position-related consumption strictly in accordance with the relevant stipulations of the country, local government and the Company, so as to eliminate excessive consumption and extravagance and waste;
- (III) They will not use the Company's assets for investment or consumption that are unrelated with the performance of their duties;
- (IV) They will cause the remuneration policies formulated by the Board or the Remuneration Committee of the Board to be linked with the implementation of the Company's replenishment measures; and
- (V) They will cause the conditions for exercising the Company's ownership incentives to be linked with the implementation of the Company's replenishment measures, if the Company sets out ownership incentive plan in future.

**Report of the Use of Proceeds from the Previous Issuance  
of China Minsheng Banking Corp., Ltd.**

According to the requirement under the Administrative Measures on the Issuance of Securities of Listed Companies (《上市公司證券發行管理辦法》) by the CSRC, the use of proceeds from the previous issuance is as follows:

**I. AMOUNT AND AVAILABILITY OF PROCEEDS FROM THE PREVIOUS ISSUANCE**

According to the approvals of Replies of the CBRC on Private Placement of Preference Shares and the Modification of Articles of Association by Minsheng Bank (Yin Jian Fu [2016] No.168) (《中國銀監會關於民生銀行非公開發行優先股及修改公司章程的批覆》(銀監覆[2016]168號)) issued by the CBRC and Replies of the China Securities Regulatory Commission on Approving Overseas Offering of Preference Shares by China Minsheng Banking Corp., Ltd. (Zheng Jian Xu Ke [2016] No.2971) (《關於核准中國民生銀行股份有限公司境外發行優先股的批覆》(證監許可[2016]2971號)), the Company issued 71,950,000 shares of Offshore Preference Shares by private placement on 14 December 2016 (the “**Issuance of Preference Shares**”), of which the face value is RMB100 per share and the issuance price is US\$20. Gross proceeds from the Issuance of Preference Shares were US\$1,439,000,000, or RMB9,933,129,200 at the central parity rate of Renminbi exchange rate published by China Foreign Exchange Trade System on 14 December 2016. On 14 December 2016, the proceeds were remitted to the special account opened at the Hong Kong Branch of the Company with account number of 900002165214. The above-mentioned proceeds actually collected include issuance expenses of RMB41,154,507.57. With the issuance expenses deducted, the net proceeds from the Issuance of Preference Shares were RMB9,891,974,692.43. The availability of the proceeds has been examined by KPMG Huazhen LLP which issued the Report on the Capital Verification of Proceeds from Offshore Issuance of Preference Shares by China Minsheng Banking Corp., Ltd. (KPMG Huazhen Yan Zi No. 1700283) (《中國民生銀行股份有限公司境外發行優先股募集資金驗證報告》(畢馬威華振驗字第1700283號)) for purposes of verification and confirmation.

## II. ACTUAL USE OF PROCEEDS FROM THE PREVIOUS ISSUANCE

Pursuant to the offering circular on the Issuance of Preference Shares, proceeds from the Issuance of Preference Shares, after deducting the issuance expenses, shall be used to replenish other tier-one capital of the Company, subject to the requirements under applicable laws and regulations and approvals from the CBIRC, the CSRC and other regulatory bodies. With the proceeds from the Issuance of Preference Shares available, the Company used the net proceeds of RMB9,891,974,692.43 (after deduction of the issuance expenses of RMB41,154,507.57) in the special account to replenish the other tier-one capital. As of 31 December 2018, the use of proceeds from the Issuance of Preference Shares was consistent with that as disclosed in the offering circular. The actual use of the proceeds from the previous issuance can be seen in the “Comparison of the Use of Proceeds from the Previous Issuance” below.

## Comparison of the Use of Proceeds from the Previous Issuance

Unit: RMB

Total net proceeds: 9,891,974,692.43					Proceeds accumulatively used: 9,891,974,692.43					
Total proceeds with changes in the use: None					Total proceeds used in the corresponding year/period:					
Proportion of the proceeds with changes in the use: None					2016: 9,891,974,692.43					
					2017: —					
					2018: —					
Investment projects	Total investment with the proceeds		Cumulative investment with the proceeds as of the cut-off date							
	Investment project committed	Actual investment project	Pre-money commitment	Post-money commitment	Actual investment	Pre-money commitment	Post-money commitment	Actual investment	Difference between actual investment and post-money commitments	Completion of the project by the cut-off date
No.										
1	Replenish other tier-one capital	Replenish other tier-one capital	9,891,974,692.43	9,891,974,692.43	9,891,974,692.43	9,891,974,692.43	9,891,974,692.43	9,891,974,692.43	—	N/A

## III. CONCLUSIONS

This report has been compiled according to the Rules on the Report of the Use of Previous Proceeds (Zheng Jian Fa Xing Zi [2007] No.500) (《關於前次募集資金使用情況報告的規定》(證監發行字[2007]500號)) issued by the China Securities Regulatory Commission. The Company has compared one by one the actual use of proceeds with that as disclosed in the related regular reports and other disclosure documents published since December 2016. The actual use of proceeds is consistent with the disclosure.

Due to the specialty of the banking business, the proceeds of the Company, once available, was fully used to replenish other tier-one capital of the Company, while the benefits realized cannot be independently accounted. The utilized proceeds has replenished the capital and improved the capital adequacy ratio of the Company.



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

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

**(Stock Code: 01988)**

**(USD Preference Shares Stock Code: 04609)**

**NOTICE OF THE ANNUAL GENERAL MEETING FOR 2018**

**NOTICE IS HEREBY GIVEN** that the 2018 annual general meeting (the “AGM”) of China Minsheng Banking Corp., Ltd. (the “**Company**”) will be held at 2:00 p.m. on Friday, 21 June 2019 at Xihua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmennei Avenue, Xicheng District, Beijing, PRC, for the consideration and, if thought fit, passing of the following resolutions (special resolutions marked by \*):

1. The resolution regarding the annual report for 2018 of the Company
2. The resolution regarding the final financial report for 2018 of the Company
3. The resolution regarding the proposed profit distribution plan for 2018 of the Company
4. The resolution regarding the annual budgets for 2019 of the Company
5. The resolution regarding the work report of the Board for 2018 of the Company
6. The resolution regarding the work report of the Board of Supervisors for 2018 of the Company
7. The resolution regarding the appointment and remuneration of auditing firms for 2019
8. The resolution regarding the appointment of Mr. Zhao Fugao as External Supervisor
- 9.\* The resolution regarding the extension of the validity period of the resolutions on the public issuance of A Share Convertible Corporate Bonds and the authorization period to the Board and its authorized persons to exercise full power to deal with matters relating to the issuance
10. The resolution regarding the impacts on dilution of current returns of the public issuance of A Share Convertible Corporate Bonds and the remedial measures
- 11.\* The resolution regarding the report on utilization of proceeds from the previous issuance
- 12.\* The resolution regarding the granting of general mandate for the issuance of Shares to the Board

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## NOTICE OF THE ANNUAL GENERAL MEETING FOR 2018

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### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 22 May 2019 to Friday, 21 June 2019 (both days inclusive), during which period no transfer of shares of the Company (the “Shares”) will be effected. For unregistered holders of H Shares who intend to attend the AGM, all Share certificates and the relevant transfer documents must be lodged with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 21 May 2019. H shareholders whose names appear on the register of members of the Company on Wednesday, 22 May 2019 will be entitled to attend and vote at the AGM.

The register of members of the Company will be closed from Thursday, 27 June 2019 to Tuesday, 2 July 2019 (both days inclusive), during which period no transfer of Shares of the Company will be effected. For unregistered H shareholders who wish to be eligible to receive the cash Dividend, all Share certificates and the transfer documents must be lodged with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 26 June 2019. H shareholders whose names appear on the register of members of the Company on Tuesday, 2 July 2019 will be entitled to receive the dividend (subject to the approval by shareholders at the AGM).

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

30 April 2019

*As at the date of this notice, the executive directors of the Company are Mr. Hong Qi and Mr. Zheng Wanchun; the non-executive directors are Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Liu Yonghao, Mr. Shi Yuzhu, Mr. Wu Di, Mr. Song Chunfeng and Mr. Weng Zhenjie; and the independent non-executive directors are Mr. Liu Jipeng, Mr. Li Hancheng, Mr. Xie Zhichun, Mr. Peng Xuefeng, Mr. Liu Ningyu and Mr. Tian Suning.*

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## NOTICE OF THE ANNUAL GENERAL MEETING FOR 2018

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*Notes:*

1. Any member of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. Shareholders of the Company (the “**Shareholders**”) shall appoint their proxies in writing. The form of proxy shall be signed by the Shareholder or his/her/its attorney who has been authorized in writing. If the Shareholder is a corporation, the form of proxy shall be affixed with the corporation’s seal or signed by its director, or its attorney duly authorized in writing. If the form of proxy is signed by the attorney of the Shareholder, the power of attorney or other authorization document shall be notarized. For holders of A Shares, the form of proxy together with the power of attorney or other authorization document notarially certified, if any, must be lodged with the office of the Board of the Company at Room 11, CMBC North Tower, No. 2 Fuxingmennei Avenue, Xicheng District, Beijing, PRC (postal code: 100031) not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 2:00 p.m. on Thursday, 20 June 2019) in order for such documents to be valid. For holders of H Shares, the aforementioned documents must be lodged with the H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 2:00 p.m. on Thursday, 20 June 2019) in order for such documents to be valid. Completion and delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. Shareholders who intend to attend the AGM (in person or by proxy) shall complete and deliver the reply slip of AGM to Computershare Hong Kong Investor Services Limited or the office of the Board of the Company by hand, post or fax on or before Saturday, 1 June 2019.
4. Shareholders shall produce their identification documents when attending the AGM.
5. If a proxy attends the AGM on behalf of a Shareholder, he/she shall produce his/her identification document and the power of attorney or other documents signed by the appointer or his/her attorney, which specify the date of its issuance. If a representative of a corporate Shareholder attends the AGM, such representative shall produce his/her identification document and the notarized copy of the resolution passed by the board of directors or other authority or other notarized copy of any authorization documents issued by such corporate Shareholder.
6. The AGM is expected to last for half a day. Shareholders who attend the AGM (in person or by proxy) shall bear their own travelling, accommodation and other expenses.
7. For details of the relevant resolutions, please refer to the Company’s annual report for 2018 published on 29 April 2019 and the circular dated 30 April 2019.
8. References to times and dates of this notice are to Hong Kong times and dates.





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

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

**(Stock Code: 01988)**

**(USD Preference Shares Stock Code: 04609)**

**NOTICE OF THE SECOND H SHARE CLASS MEETING FOR 2019**

**NOTICE IS HEREBY GIVEN** that the second H share class meeting for 2019 (the “**H Share Class Meeting**”) of China Minsheng Banking Corp., Ltd. (the “**Company**”) will be held after the conclusion of the annual general meeting for 2018 and the second A share class meeting for 2019 on Friday, 21 June 2019 at Xihua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmennei Avenue, Xicheng District, Beijing, PRC, for the consideration and, if thought fit, passing of the following resolution:

**SPECIAL RESOLUTION**

1. The resolution regarding the extension of the validity period of the resolutions on the public issuance of A Share Convertible Corporate Bonds and the authorization period to the Board and its authorized persons to exercise full power to deal with matters relating to the issuance

**CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 22 May 2019 to Friday, 21 June 2019 (both days inclusive), during which period no transfer of shares of the Company will be effected. For unregistered holders of H Shares of the Company who intend to attend the H Share Class Meeting, all Share certificates and the relevant transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 21 May 2019. H shareholders whose names appear on the register of members of the Company on Wednesday, 22 May 2019 will be entitled to attend and vote at the H Share Class Meeting.

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

30 April 2019

*As at the date of this notice, the executive directors of the Company are Mr. Hong Qi and Mr. Zheng Wanchun; the non-executive directors are Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Liu Yonghao, Mr. Shi Yuzhu, Mr. Wu Di, Mr. Song Chunfeng and Mr. Weng Zhenjie; and the independent non-executive directors are Mr. Liu Jipeng, Mr. Li Hancheng, Mr. Xie Zhichun, Mr. Peng Xuefeng, Mr. Liu Ningyu and Mr. Tian Suning.*

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## NOTICE OF THE SECOND H SHARE CLASS MEETING FOR 2019

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*Notes:*

1. Any member of the Company entitled to attend and vote at the H Share Class Meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. Shareholders of the Company (the “**Shareholders**”) shall appoint their proxies in writing. The form of proxy shall be signed by the Shareholder or his/her/its attorney who has been authorized in writing. If the Shareholder is a corporation, the form of proxy shall be affixed with the corporation’s seal or signed by its director, or its attorney duly authorized in writing. If the form of proxy is signed by the attorney of the Shareholder, the power of attorney or other authorization document shall be notarized. For holders of H Shares, the aforementioned documents must be lodged with the H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for holding the H Share Class Meeting (i.e. not later than 2:00 p.m. on Thursday, 20 June 2019) in order for such documents to be valid. Completion and delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. Shareholders who intend to attend the H Share Class Meeting (in person or by proxy) shall complete and deliver the reply slip of H Share Class Meeting to Computershare Hong Kong Investor Services Limited or the office of the Board of the Company at Room 11, CMBC North Tower, No. 2 Fuxingmennei Avenue, Xicheng District, Beijing, PRC (postal Code: 100031) by hand, post or fax on or before Saturday, 1 June 2019.
4. Shareholders shall produce their identification documents when attending the H Share Class Meeting.
5. If a proxy attends the H Share Class Meeting on behalf of a Shareholder, he/she shall produce his/her identification document and the power of attorney or other documents signed by the appointer or his/her attorney, which specify the date of its issuance. If a representative of a corporate Shareholder attends the H Share Class Meeting, such representative shall produce his/her identification document and the notarized copy of the resolution passed by the board of directors or other authority or other notarized copy of any authorization documents issued by such corporate Shareholder.
6. The H Share Class Meeting is expected to last for half day. Shareholders who attend the H Share Class Meeting (in person or by proxy) shall bear their own travelling, accommodation and other expenses.
7. For details of the relevant resolution, please refer to the Company’s annual report for 2018 published on 29 April 2019 and the circular dated 30 April 2019.
8. References to times and dates of this notice are to Hong Kong times and dates.