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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)

CONTINUING CONNECTED TRANSACTIONS

**BUSINESS COOPERATION FRAMEWORK AGREEMENT
FOR AGENCY SALES OF FINANCIAL PRODUCTS
WITH DAJIA LIFE INSURANCE CO., LTD.**

CONTINUING CONNECTED TRANSACTIONS

On 11 December 2019, the Board considered and approved the Resolution on the Provision of General Credit Lines at Group Level to Dajia Insurance Group Co., Ltd. for 2019. The general credit lines at group level will be provided to Dajia Insurance Group Co., Ltd. and its related parties. Subject to the reserved quota of agency category under non-credit business of the general credit lines at group level considered and approved by the Board, the Company will enter into the Business Cooperation Framework Agreement for Agency Sales of Financial Products with Dajia Life Insurance, a subsidiary of Dajia Insurance Group Co., Ltd., in due course.

As at the date of this announcement, Dajia Life Insurance holds 7,810,214,889 shares in the Company, representing 17.84% of the total shares of the Company, and is a substantial shareholder of the Company. Dajia Life Insurance constitutes a connected person of the Company, and the transactions between the Group and Dajia Life Insurance constitute continuing connected transactions under the Hong Kong Listing Rules.

As the highest applicable percentage ratio for the annual cap of the Service Fees payable by Dajia Life Insurance under the Business Cooperation Framework Agreement for Agency Sales of Financial Products exceeds 0.1% but is less than 5%, the transactions constitute non-exempt continuing connected transactions of the Company and are subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

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RELATIONSHIP BETWEEN THE PARTIES

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BUSINESS COOPERATION FRAMEWORK AGREEMENT FOR AGENCY SALES OF FINANCIAL PRODUCTS

The major terms of Business Cooperation Framework Agreement for Agency Sales of Financial Products are as follows:

- Term:** The Business Cooperation Framework Agreement for Agency Sales of Financial Products shall become effective from the date of the execution and seal by authorized representatives of both parties with retroactive effect from 1 January 2020. The term of the Business Cooperation Framework Agreement for Agency Sales of Financial Products will expire on 31 December 2020. The Business Cooperation Framework Agreement for Agency Sales of Financial Products may be extended subject to agreement between the parties, approvals of the stock exchanges in the places of listing and the competent regulatory authorities and/or the approval of the Board or general meeting of the Company, if so required by such stock exchanges in the places of listing of the Company and the competent regulatory authorities.
- Parties:** The Company and Dajia Life Insurance
- Transaction details:** Subject to the laws and regulations, regulatory requirements and internal control system, the Company will provide agency sales services of financial products to Dajia Life Insurance, including but not limited to insurance products, for Sales Service Fees. The provisions of relevant services shall be subject to specific implementation agreements to be entered into.

- Pricing: The Service Fees shall be determined through arm's length negotiation and on normal commercial terms on the following basis:
- (i) according to the prices fixed by the PRC government; or
 - (ii) according to the prices suggested by the government if no prices fixed by the PRC government are applicable; or
 - (iii) according to market prices determined through arm's length negotiations between the parties if no prices fixed or suggested by the PRC government are applicable. The Service Fees shall be no less favourable to the Company than that available to independent third parties in ordinary and usual course of business.

The transactions under the Business Cooperation Framework Agreement for Agency Sales of Financial Products shall be conducted on a non-exclusive basis. Payment shall be calculated on the aforementioned basis. However, the Company may solicit quotations from suppliers providing similar products or refer to the terms of certain transactions of similar products and services with independent third parties during the same period to make sure that the prices and terms offered by Dajia Life Insurance are fair and reasonable and comparable with those offered by independent third parties.

- Payment: Service Fees shall be settled by cash at the end of the term or settled in other manners agreed by the parties and in accordance with the time and manner as specified by the implementation agreement to be entered into by the Company and Dajia Life Insurance from time to time.

In addition, the Company's acceptance of insurance products to be provided by Dajia Life Insurance shall be subject to discussion, assessment and unanimous approval by vote by the Retail Wealth Management Business Assessment Committee of the Company. The quantity of products shall be determined by the Retail Wealth Management Business Assessment Committee of the Company through discussion and assessment with reference to a number of factors, including the rating of Dajia Life Insurance, the ranking of Dajia Life Insurance among insurance companies in China and the estimated sales volume of the insurance products.

HISTORICAL TRANSACTION AMOUNT, PROPOSED ANNUAL CAP AND BASES OF DETERMINATION

Historical transaction amount and proposed annual cap are as follows:

	Historical Transaction Amount ^{Note}		
	For the year ended 31 December 2017	For the year ended 31 December 2018	As at the date of this announcement
Service Fees	<u>352</u>	<u>88</u>	<u>224</u>

Note: The above historical transaction amounts were the service fees received for the agency sales of financial products of Anbang Insurance Group Co., Ltd. and its associates by the Company. On 28 August 2019, pursuant to the approval by CBIRC, Anbang Life Insurance Co., Ltd. has been renamed as Dajia Life Insurance Co., Ltd. and its controlling shareholder has been changed from Anbang Insurance Group Co., Ltd. to Dajia Insurance Group Co., Ltd.

	Proposed Annual Cap For the year ending 31 December 2020 (RMB in million)
Service Fees	<u>1,500</u>

To determine the annual cap of the transactions under the Business Cooperation Framework Agreement for Agency Sales of Financial Products, the Company has considered a number of factors, including the current and future operating conditions of the Continuing Connected Transactions between the Company and Dajia Life Insurance. The Company has also taken into account the possibility of further increase in income from retail banking intermediary business through sharing of resources and synergy effects based on the cooperation between both parties. In addition, the Company has also considered the future sale volume and fee rates for agency sales of insurance and financial products including conventional banking insurance, other financial general insurance, accident insurance and innovative insurance wealth management products, funds agency sale and securities products. The increase in Service Fees for agency sales of financial products is driven by the market.

REASONS FOR CONTINUING CONNECTED TRANSACTIONS

To proactively adapt to changes in the retail market, cooperation between the Company and Dajia Life Insurance will broaden the Company's range of products offered to individual customers and achieve sharing of resources and synergy effects with Dajia Life Insurance, so as to further increase the Company's revenue from its retail banking intermediary business.

CONFIRMATION OF THE BOARD

The Board, including independent non-executive Directors, are of the view that the agency sales of financial products by the Company (i) is to be entered into in the ordinary and usual course of business of the Company; (ii) is based on normal commercial terms or more favorable terms from the perspective of the Company (determined through arm's length negotiation or not more favourable than the terms offered by the Company to independent third parties); and (iii) the terms and proposed annual cap are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

None of the Directors had any material interests in the Continuing Connected Transactions and was therefore required to abstain from voting on the relevant resolution. The relevant resolution was passed by the Directors by poll.

HONG KONG LISTING RULES IMPLICATION

As the highest applicable percentage ratio for the annual cap of the Service Fees payable by Dajia Life Insurance under the Business Cooperation Framework Agreement for Agency Sales of Financial Products exceeds 0.1% but is less than 5%, the transactions constitute non-exempted continuing connected transactions of the Company and are subject to the reporting and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

INFORMATION ON THE COMPANY AND DAJIA LIFE INSURANCE

The Company, incorporated in Beijing on 12 January 1996, is the first national joint stock commercial bank with contributions from non-state-owned enterprises in China. The Company and its subsidiaries mainly provide corporate and personal banking, treasury business, finance leasing, asset management and other financial services in China.

Dajia Life Insurance is mainly engaged in life insurance, healthcare insurance, accident assurance and other personal insurance businesses; re-insurance of the abovementioned insurance businesses; related business by using insurance fund as allowed by laws and regulations; and other business as approved by the former China Insurance Regulatory Commission (currently known as the CBIRC).

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors of the Company
“Business Cooperation Framework Agreement for Agency Sale of Financial Products”	the business cooperation framework agreement for the agency sale of financial products to be entered into between the Company and Dajia Life Insurance

“CBIRC”	China Banking and Insurance Regulatory Commission
“Company”	China Minsheng Banking Corp., Ltd., a joint stock company incorporated in the PRC with limited liability, the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Dajia Life Insurance”	Dajia Life Insurance Co., Ltd., formerly known as Anbang Life Insurance Co., Ltd. and was renamed pursuant to the approval by the CBIRC on 28 August 2019
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC” or “China”	the People’s Republic of China
“RMB”	the lawful currency of the PRC
“Service Fees” or “Sales Service Fees”	fees received by the Company from Dajia Life Insurance for agency sale of financial products under the Business Cooperation Framework Agreement for Agency Sales of Financial Products
“Continuing Connected Transactions”	transactions to be conducted under the Business Cooperation Framework Agreement for Agency Sales of Financial Products between the Company and Dajia Life Insurance
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Hong Kong Listing Rules

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

Beijing, PRC
11 December 2019

As at the date of this announcement, 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.