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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 HUAXIA LIFE INSURANCE CO., LTD.**

CONTINUING CONNECTED TRANSACTIONS

On 21 December 2020, the Board has considered and approved the entering into of the Business Cooperation Framework Agreement for Agency Sales of Financial Products between the Company and Huaxia Life and the terms thereof. The Company and Huaxia Life will execute the Business Cooperation Framework Agreement for Agency Sales of Financial Products in due course.

As at the date of this announcement, Mr. Zhang Hongwei, the vice Chairman of the Company, is the *de facto* controller of Orient Group Co., Ltd. and Orient Group Incorporation. Therefore, Orient Group Co., Ltd. and Orient Group Incorporation are associates of Mr. Zhang Hongwei. Orient Group Co., Ltd., Orient Group Incorporation and Huaxia Life are parties acting in concert. Huaxia Life constitutes a connected person of the Company and the transactions between the Group and Huaxia Life 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 to the Company by Huaxia Life 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.

CONTINUING CONNECTED TRANSACTIONS

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RELATIONSHIP BETWEEN THE PARTIES

As at the date of this announcement, Mr. Zhang Hongwei, the vice Chairman of the Company, is the *de facto* controller of Orient Group Co., Ltd. and Orient Group Incorporation. Therefore, Orient Group Co., Ltd. and Orient Group Incorporation are associates of Mr. Zhang Hongwei. Orient Group Co., Ltd., Orient Group Incorporation and Huaxia Life are parties acting in concert. Huaxia Life constitutes a connected person of the Company and the transactions between the Group and Huaxia Life constitute continuing connected transactions under the Hong Kong Listing Rules.

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 will be effective upon execution and seal by authorized representatives of both parties with retroactive effect from 1 January 2021. Its term will expire on 31 December 2021. The term of the Business Cooperation Framework Agreement for Agency Sales of Financial Products may be extended subject to agreement between the parties, approval of the stock exchanges in the places of listing of the Company and the competent regulatory authorities and/or the approval of the Board or general meeting of the Company, if so required by the stock exchanges in the places of listing of the Company and the competent regulatory authorities.
- Parties:** The Company and Huaxia Life
- Transaction details:** Subject to the laws and regulations, regulatory requirements and internal control of the Company, the Company will provide agency sales services for financial products of Huaxia Life, including but not limited to insurance products, asset management products, fund products and securities products, for Service Fees. The Company and Huaxia Life may enter into specific business agreements under the Business Cooperation Framework Agreement for Agency Sales of Financial Products when necessary.

Pricing: 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 fee rate 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 pricing 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 Huaxia Life are fair and reasonable and comparable with those offered by independent third parties.

Payment: Service Fees shall be settled by cash in arrears or settled in other manners agreed by the parties and in accordance with the schedule and manner as specified by specific agreement to be entered into by the Company and Huaxia Life from time to time.

In addition, the Company's acceptance of Huaxia Life products from Huaxia Life shall be proposed by the Wealth Management Product Management Centre of the Personal Finance Department to the Risk and Compliance Management Centre of the Personal Finance Department for approval. Product agency sales agreement will be executed upon approval by the competent officer of the Risk and Compliance Management Centre after the performance of due diligence.

HISTORICAL TRANSACTION AMOUNT, PROPOSED ANNUAL CAP AND BASIS OF DETERMINATION

Historical transaction amount and proposed annual cap are as follows:

	Historical transaction amount		Proposed annual cap
	For the year ended	From 1 January 2020	For the year ending
	31 December 2019	to the date of this	31 December 2021
	<i>(RMB in million)</i>	announcement	<i>(RMB in million)</i>
		<i>(RMB in million)</i>	
Service Fees	<u>32</u>	<u>33</u>	<u>460</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 Huaxia Life. The Company has also taken into account the intention of further cooperation of 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 and accident insurance. The increase in Service Fees for agency sales of financial products will be driven by the market.

REASONS FOR AND BENEFITS OF CONTINUING CONNECTED TRANSACTIONS

To proactively adapt to changes in the retail market, cooperation between the Company and Huaxia Life will broaden the Company's range of products offered to individual customers and achieve sharing of resources and synergy effects with Huaxia Life, 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 Business Cooperation Framework Agreement for Agency Sales of Financial Products (i) will be entered into in the ordinary and usual course of business of the Company; (ii) will be 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 will be fair and reasonable, and will be in the interests of the Company and its shareholders as a whole.

Mr. Zhang Hongwei would have material interests in the Continuing Connected Transactions and was therefore required to abstain from voting on the relevant resolution of the Board. 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 Huaxia Life 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 HUAXIA LIFE

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

Huaxia Life was established on 30 December 2006 and is mainly engaged in personal insurance business such as life insurance, health insurance and accidental injury insurance; the reinsurance of the above business; insurance fund administration business as permitted by laws and regulations of China; and other business as approved by the CBIRC. Since 17 July 2020, the CBIRC decided to take over the operation of Huaxia Life. A takeover panel appointed by the CBIRC was established by the CBIRC in accordance with the relevant requirements of the Insurance Law of the People's Republic of China. It is a working group to take over the operation and management of Huaxia Life and to handle its assets, credits and debts. Huaxia Life continues to operate as usual without any changes to its creditor-debtor relationships after the takeover. For details, please refer to the announcement dated 17 July 2020 on the official website of the CBIRC (www.cbirc.gov.cn). Having reasonable enquiry on publicly available information, the Company, to its best knowledge, noted that 20%, 20%, 14.88%, 12.97%, 11.80%, 11.54%, 6.5%, 1.14%, 0.43%, 0.38%, 0.16%, 0.11% and 0.08% of the share of Huaxia Life was respectively held by Beijing Qianxi Shihao Electronic Technology Co., Ltd. (北京千禧世豪電子科技有限公司, its ultimate beneficial owner is Cui Wanchang), Beijing Shiji Lihong Computer Software Technology Co., Ltd. (北京世紀力宏計算機軟件科技有限公司, its ultimate beneficial owner is Wei Kai), Shandong Lingdu Jvzhen Trading Co., Ltd. (山東零度聚陣商貿有限公司, its ultimate beneficial owner is Hao Gaizhen), Beijing Baili Bowen Technology Co., Ltd. (北京百利博文技術有限公司, its ultimate beneficial owner is Yang Ke), Beijing Zhongsheng Shiji Technology Co., Ltd. (北京中勝世紀科技有限公司, its ultimate beneficial owner is Lin Lijuan), Tianjin Huayu Tiandi Trading Co., Ltd. (天津華宇天地商貿有限公司, its ultimate beneficial owner is Zhou Hongxia), Tianjin Port (Group) Co., Ltd. (天津港(集團)有限公司, its ultimate beneficial owner is the State-owned Assets Supervision and Administration Committee of the People's Government of Tianjin), Inner Mongolia Jinping Equity Investment Co., Ltd. (內蒙古金平股權投資有限公司, its ultimate beneficial owner is Tian Xin), Beijing Longda Xinrui Technology and Trading Co., Ltd. (北京龍達鑫銳科貿有限公司, its ultimate beneficial owner is Wang Yuqing), China Jing'an Credit Guarantee Co., Ltd. (中國京安信用擔保有限公司, its ultimate beneficial owner is the State Council), Liquan County Yuanjia Investment Company (禮泉縣袁家投資公司), Beijing Guolun Consulting Co., Ltd. (北京國倫諮詢顧問有限公司, its ultimate beneficial owner is Chen Yuedi) and Zhejiang Huayuan Auto Parts Co., Ltd. (浙江華遠汽車零部件有限公司).

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 Sales of Financial Products”	the business cooperation framework agreement for agency sales of financial products to be entered into between the Company and Huaxia Life
“CBIRC”	the China Banking and Insurance Regulatory Commission, including the former China Insurance Regulatory Commission (if applicable) whose functions have been incorporated into the CBIRC
“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
“Continuing Connected Transactions”	transactions to be conducted under the Business Cooperation Framework Agreement for Agency Sales of Financial Products between the Company and Huaxia Life
“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
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huaxia Life”	Huaxia Life Insurance Co., Ltd.
“PRC” or “China”	the People’s Republic of China
“RMB”	the lawful currency of the PRC

“Service Fees”

fees received by the Company from Huaxia Life for agency sales of financial products under the Business Cooperation Framework Agreement for Agency Sales of Financial Products

By Order of the Board
CHINA MINSHENG BANKING CORP., LTD.
Gao Yingxin
Chairman

Beijing, PRC

21 December 2020

As at the date of this announcement, the executive Directors of the Company are Mr. Gao Yingxin and Mr. Zheng Wanchun; the non-executive Directors are Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Liu Yonghao, Mr. Shi Yuzhu, Mr. Wu Di and Mr. Song Chunfeng; and the independent non-executive Directors are Mr. Liu Jipeng, Mr. Li Hancheng, Mr. Xie Zhichun, Mr. Peng Xuefeng and Mr. Liu Ningyu.