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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 27 November 2019, the Board has considered and approved the entering into 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 ultimate controller of Orient Group Co., Ltd. and Orient Group Incorporation. As a result, 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**

On 27 November 2019, the Board has considered and approved the entering into 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.

## **RELATIONSHIP BETWEEN THE PARTIES**

As at the date of this announcement, Mr. Zhang Hongwei, the vice Chairman of the Company, is the ultimate controller of Orient Group Co., Ltd. and Orient Group Incorporation. As a result, 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 2020. Its term will expire on 31 December 2020. The term of 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 such 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 system, the Company will provide agency sales services for financial products of Huaxia Life, including but not limited to insurance 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 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 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 time 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 provided by Huaxia Life shall be subject to discussion, assessment and unanimous approval 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 Huaxia Life, the ranking of Huaxia Life among insurance companies in China and the estimated sales volume of the insurance products.

## **HISTORICAL TRANSACTION AMOUNT, PROPOSED ANNUAL CAP AND BASIS OF DETERMINATION**

Historical transaction amount and proposed annual cap are as follows:

	<b>Historical transaction amount from 1 January 2019 to the date of this announcement (RMB in million)</b>	<b>Proposed annual cap for the year ending 31 December 2020 (RMB in million)</b>
Service Fees	<u>17.59</u>	<u>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 Huaxia Life. The Company has also taken into account the possibility of 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 and accident insurance. The increase in Service Fees for agency sales of financial products will be driven by the market.

### **REASONS FOR 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 of the Company 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 business, finance leasing, asset management and other financial services in China.

Huaxia Life was established on 30 December 2006 and is currently engaged in various insurance businesses, including life insurance, health insurance, accidental injury insurance, reinsurance of the above business and insurance fund administration.

## 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 Huaxia Life
“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” or “Sales Service Fees”	fees received by the Company from Huaxia Life for agency sale 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.**  
**Hong Qi**  
*Chairman*

Beijing, PRC  
27 November 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.*