

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



中國民生銀行股份有限公司

**CHINA MINSHENG BANKING CORP., LTD.**

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

**(Stock Code: 01988)**

## **CONTINUING CONNECTED TRANSACTIONS**

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

#### **CONTINUING CONNECTED TRANSACTIONS**

On 31 January 2023, the Board considered and approved the Resolution on Entering into the Business Cooperation Framework Agreement for Agency Sales of Financial Products between the Bank and Dajia Life Insurance Co., Ltd., and will enter into the Business Cooperation Framework Agreement for Agency Sales of Financial Products with Dajia Life Insurance in due course.

As at the date of this announcement, Dajia Life Insurance holds 7,810,214,889 shares in the Bank, representing 17.84% of the total shares of the Bank, and is a substantial shareholder of the Bank. The Business Cooperation Framework Agreement for Agency Sales of Financial Products that entered into between the Group and Dajia Life Insurance and the transactions thereunder 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 Bank 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 31 January 2023, the Board considered and approved the Resolution on Entering into the Business Cooperation Framework Agreement for Agency Sales of Financial Products between the Bank and Dajia Life Insurance Co., Ltd., and will enter into the Business Cooperation Framework Agreement for Agency Sales of Financial Products with Dajia Life Insurance in due course.

## **RELATIONSHIP BETWEEN THE PARTIES**

As at the date of this announcement, Dajia Life Insurance holds 7,810,214,889 shares in the Bank, representing 17.84% of the total shares of the Bank, and is a substantial shareholder of the Bank. Dajia Life Insurance constitutes a connected person of the Bank and the Business Cooperation Framework Agreement for Agency Sales of Financial Products entered into between the Group and Dajia Life Insurance and the transactions thereunder constitute continuing connected transactions under the Hong Kong Listing Rules.

## **BUSINESS COOPERATION FRAMEWORK AGREEMENT FOR AGENCY SALES OF FINANCIAL PRODUCTS**

The major terms of the 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 on the date when the legal representatives or authorized representatives of both parties have affixed their signatures and official seals or contract seals, and shall be applied retrospectively to the cooperation activities commencing from 1 January 2023. The term of the Business Cooperation Framework Agreement for Agency Sales of Financial Products will expire on 31 December 2023. The term of 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 Bank, if so required by the stock exchanges in the places of listing of the Bank and the competent regulatory authorities.
- Parties:** The Bank and Dajia Life Insurance
- Transaction details:** Subject to the laws and regulations, regulatory requirements and internal control systems, the Bank shall provide agency sales services of financial products and agency sales of insurance products to Dajia Life Insurance, and receive relevant Service Fees. The provisions of relevant services shall be subject to specific implementation agreements.

**Pricing:** When entering into the Business Cooperation Framework Agreement for Agency Sales of Financial Products with Dajia Life Insurance, the Bank determined the pricing range for specific transactions mainly referring to the quotations of products of the same type from other insurance companies that are independent of the Bank and its connected persons in the year, the research on the interbank situation and taking the type of financial products consigned and the number of transactions between investors and the Bank, feedbacks and opinions from the financial product issuer on the pricing into account. Specific pricing is determined after arm’s length negotiation between both parties on the basis of the above considerations. The Service Fees charged by the Bank to Dajia Life Insurance for the agency sales of financial products is no lower than that charged to independent third parties for similar services.

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 afore-mentioned pricing basis. However, the Bank may solicit quotations from other 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 schedule and manner as specified by the implementation agreement to be entered into by the Bank and Dajia Life Insurance in due course.

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

Historical transaction amount and proposed annual cap are as follows:

	<b>Historical Transaction Amount</b>		
	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2021</b>	<b>For the year ended 31 December 2022</b>
	<i>(RMB in million)</i>		
Service Fees	<u>206</u>	<u>196</u>	<u>264</u>

**Proposed  
Annual Cap  
For the year  
ending 31  
December 2023  
(RMB in million)**

Service Fees

350

---

The Bank determines the proposed annual caps by reference to the historical transaction amount. The Service Fees charged by the Bank to Dajia Life Insurance for the agency sales of financial products in 2020, 2021 and 2022 were approximately RMB206 million, RMB196 million and RMB264 million, respectively.

In addition to referring to the historical transaction amounts, the Bank has also considered the following key factors: the Bank will provide agency sales services of financial products and agency sales of insurance products to Dajia Life Insurance, and receive relevant Service Fees. The business covered by the agency sales agreement of financial products is subject to change from year to year due to certain external reasons, including but not limited to unexpected fluctuations in the financial market, the fact that financial product investment transactions are market-driven and generally determined by the customers' decision on the wealth management portfolio, which is beyond the Bank's control, and the potential changes that may occur in the current and expected operating conditions of the continuing connected transactions between the Bank and Dajia Life Insurance, with reference to prevailing market conditions, the expected growth of the relevant transaction volume and Service Fees. Given the increase in Service Fees for the sale of financial products is market-driven, the Bank, therefore, believes that it is reasonable to set the proposed annual cap of Service Fees of RMB350 million in 2023, which allows the Bank and Dajia Life Insurance effect higher transaction amount, thereby enabling the Bank to benefit from the growth of the PRC economy and financial investment market and maximize its revenue generated from these Service Fees.

## **REASONS FOR AND BENEFITS OF CONTINUING CONNECTED TRANSACTIONS**

To proactively adapt to changes in the retail market, cooperation between the Bank and Dajia Life Insurance will broaden the Bank'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 Bank'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 Bank (i) is entered into in the ordinary and usual course of business of the Bank; (ii) is based on normal commercial terms or more favorable terms from the perspective of the Bank (determined through arm's length negotiation or not more favorable than the terms offered by the Bank to independent third parties); and (iii) the terms and proposed annual cap are fair and reasonable, and are in the interests of the Bank and its shareholders as a whole.

As Mr. Yang Xiaoling and Mr. Zhao Peng, both being Directors, were related to Dajia Insurance Group, they had abstained from voting on the relevant resolution on the Board meeting. Save as disclosed above, none of the Directors are 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 at the date of this announcement, Dajia Life Insurance holds 7,810,214,889 shares in the Bank, representing 17.84% of the total shares of the Bank, and is a substantial shareholder of the Bank. Dajia Life Insurance constitutes a connected person of the Bank and the Business Cooperation Framework Agreement for Agency Sales of Financial Products entered into between the Group and Dajia Life Insurance and the transactions thereunder 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-exempted continuing connected transactions of the Bank 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 BANK AND DAJIA LIFE INSURANCE**

Formally established in Beijing in 1996, the Bank is the first national joint-stock commercial bank in China primarily initiated and founded by the non-state-owned enterprises. Upon the approval of relevant regulatory authorities, the Bank operates the following commercial banking businesses: taking deposits from the public, granting short-, mid-to long-term loans, handling domestic and foreign settlements; accepting and discounting negotiable instruments, and issuing financial bonds; issuing, settling and underwriting government bonds as an agent; buying and selling government bonds and financial bonds; operating interbank borrowing and lending; buying and selling foreign exchange, and buying and selling foreign exchange as an agent; settling and selling foreign exchange; operating bank card business; providing letter of credit services and guaranty; receiving and paying funds as an agent; providing safe deposit box service; operating other businesses approved by the banking regulatory authority of the State Council; operating insurance business as a sideline agent; selling securities investment funds and providing custody services for securities investment funds. (The market entity independently chooses and operates businesses in accordance with laws; Operations of sideline insurance agency, sales of securities investment funds, custody of securities investment funds, and businesses subject to approvals according to laws shall be carried out upon approvals of relevant authorities and within the approved scopes; It is not allowed to operate businesses prohibited or restricted by national and municipal industry policies.)

Dajia Life Insurance is mainly engaged in personal insurance business such as life insurance, health insurance and accidental injury insurance; the reinsurance of the above business; related business by using insurance fund as allowed by the laws and regulations of China; and other business as approved by the China Insurance Regulatory Commission (currently known as the CBIRC). Dajia Insurance Group directly holds 99.984% of the shares in Dajia Life Insurance and indirectly holds 0.016% of the shares in Dajia Life Insurance through Dajia Property Insurance Co., Ltd. Dajia Insurance Group is held as to 98.23% by China Insurance Security Fund Co., Ltd. China Insurance Security Fund Co., Ltd. is a state-owned institution, which is mainly engaged in fund-raising, management and operation of insurance and protection funds, monitoring and evaluation of insurance industry risks, participation in insurance business risk disposal, management and disposal of foreclosed assets, and other businesses approved by the State Council. Dajia Insurance Group is held as to 1.22% by Shanghai Automotive Industry Corporation (Group) (its ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government) and as to 0.55% by China Petrochemical Corporation (its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council), respectively.

## DEFINITIONS

“Bank”	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
“Board”	the board of Directors of the Bank
“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 Bank and Dajia Life Insurance
“CBIRC”	the China Banking and Insurance Regulatory Commission, including the former China Insurance Regulatory Commission, if applicable, the functions of which are currently borne by the CBIRC
“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 Bank and Dajia Life Insurance
“Dajia Insurance Group”	Dajia Insurance Group Co., Ltd.
“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 Bank
“Group”	the Bank 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 Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Service Fees”	fees received by the Bank from Dajia Life Insurance for agency sales services of financial products under the Business Cooperation Framework Agreement for Agency Sales of Financial Products
“subsidiaries”	has the meaning ascribed to it under the Hong Kong Listing Rules

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

Beijing, PRC  
31 January 2023

*As at the date of this announcement, the Executive Directors of the Bank are Mr. Gao Yingxin, Mr. Zheng Wanchun and Mr. Yuan Guijun; the Non-Executive Directors are Mr. Zhang Hongwei, Mr. Lu Zhiqiang, Mr. Liu Yonghao, Mr. Shi Yuzhu, Mr. Wu Di, Mr. Song Chunfeng, Mr. Yang Xiaoling and Mr. Zhao Peng; and the Independent Non-Executive Directors are Mr. Liu Jipeng, Mr. Li Hancheng, Mr. Xie Zhichun, Mr. Peng Xuefeng, Mr. Liu Ningyu and Mr. Qu Xinjiu.*