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

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

(Stock Code: 01988)

(USD Preference Shares Stock Code: 04609)

ANNOUNCEMENT

Reference is made to the announcement of China Minsheng Banking Corp., Ltd. (the “**Company**”) dated 18 April 2017.

Recently, in the course of implementing the inspection of “three kinds of violation” of the China Banking Regulatory Commission, the Beijing Branch of the Company, guided by the information reflected by customers, surveyed and found that Zhang Ying, the president of Hangtianqiao sub-branch, defrauded customers of their funds by use of forged wealth management contracts and bank seals. This operational risk incident was triggered by one individual’s moral hazard, and is suspected of being illegal conduct. The Company immediately reported the incident to the police department, and the police department took Zhang Ying away to assist with the investigation and for the collection of evidence on 13 April. The police detained Zhang Ying on 14 April, and formally initiated an investigation.

After the incident was uncovered, the Company paid great attention to it, and immediately initiated an emergency response plan: firstly, the Company quickly established a leading group at the Headquarter, with the president as leader, the discipline inspection commission secretary as deputy leader, and the vice president of Hangtianqiao sub-branch and head of departments as members. The Beijing Branch set up a special working group, the members of which stationed at the Hangtianqiao sub-branch at the first instance, and assisted the police in their investigation and collection of evidence. Meanwhile, special working group sorted out the businesses of the sub-branch and conducted an investigation while ensuring the orderly operation of business. Secondly, the Company reported to local party and government organizations and regulatory authorities at first instance, communicated and coordinated with the police department continually to enhance investigation efforts, speed up the investigation process and make a full investigation of the case. Thirdly, the Headquarter of the Company and its branches conducted the overall self-examination of risks, and checked the key business and key posts by lines and institutions individually. Fourthly, the Company took the initiative to explain to and appease the wider customers in order to eliminate their concerns through customer service channels and public platforms such as 95568, websites and WeChat public accounts.

Based on the clues currently available, Zhang Ying, herself found or instructed individual employees of the sub-branch to find target customers for the fake investment or wealth management products and the relevant transfer products fabricated by her, through controlling others' accounts as a capital collection account, to raise funds from such customers in an illegal way for her own use, with a part of them for the investment in real estate, cultural relics, jewelry and other fields. The funds raised did not enter the accounting system of the Company. Up to now, after the Company's working group's registration and verification with the each of the relevant customers, the amount involved in this case is approximately RMB1.65 billion, and the initial estimated amount involved will not exceed the number reported by the media and involves over 150 customers. In addition to Zhang Ying, certain other individual employees of the sub-branch are now subject to police investigation. Meanwhile, the Company, in collaboration with the police department, has frozen the accounts involved, and seized a part of cash, property and goods of the suspects. After the initial judgment, the future loss will be controllable. It should be specifically noted that Hangtianqiao sub-branch case is not engaged in the bills business.

To maximise protection of the customers' interest, in keeping with the principles of no tolerance, no prevarication and no procrastination, premised on due compliance with relevant laws and rules, the Company intends to adopt feasible ways to first resolve investors' initial investment funds and then deal with subsequent matters under final judicial judgement. Currently, such work is in orderly process.

The Company will strive to mitigate losses by assisting the police department to strengthen the disposals of assets involved, so as to better maintain the brand image of Minsheng Bank and protect the benefit of shareholders.

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

Beijing, PRC
27 April 2017

As at the date of this announcement, the executive directors of the Company are Mr. Hong Qi, Mr. Liang Yutang 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. Yao Dafeng, Mr. Song Chunfeng, Mr. Tian Zhiping and Mr. Weng Zhenjie; and the independent non-executive directors are Mr. Liu Jipeng, Mr. Li Hancheng, Mr. Xie Zhichun, Mr. Cheng Hoi-chuen, Mr. Peng Xuefeng and Mr. Liu Ningyu.