

## **Announcement on Resolutions of the 7<sup>th</sup> Meeting of the 7<sup>th</sup> Session BOD**

29 March 2018

The 7<sup>th</sup> meeting of the 7<sup>th</sup> session of the Board of Directors of the Company was held on 29 March 2018 in Beijing. The meeting notice was sent out via emails on 15 March 2018. The meeting was convened and presided over by Chairman Hong Qi. Of all 18 Directors who were entitled to attend the meeting, 15 Directors attended the meeting in person and 3 Directors, being the Vice Chairmen Zhang Hongwei and Liu Yonghao and Director Cheng Hoi-chuen, attended the meeting by teleconference. All 9 Supervisors who were entitled to attend the meeting participated in the meeting as non-voting delegates. The convention and procedures of the meeting complied with the rules and regulations under the Company Law of the PRC and the Articles of Association of the Company. The resolution made through voting are legal and effective.

The following resolutions were discussed and passed at the meeting:

### **1. Resolution on the 2017 Annual Report of the Company (Text and Abstract)**

The 2017 Annual Report of the Company will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

### **2. Resolution on the 2017 Report on Final Accounts (Draft)**

The above proposal will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

### **3. Resolution on Profit Distribution Proposal for the Second Half of 2017**

The Profit Distribution Proposal for the Second Half of 2017 was discussed at the meeting and the following proposal was approved: a cash dividend of RMB0.30 (before tax) for every 10 shares and 2 bonus shares for every 10 shares will be distributed. The total amount of cash dividend will be RMB1,095 million based on a total of 36,485 million shares issued by the Company as of 31 December 2017. The total number of share dividend will be 7,299 million shares.

The Company is currently under the strategic transformation and the retained earnings are mainly used for accelerating the implementation of strategic transformation as well as improving and adjusting business structure so as to enhance overall risk resilience. Considerations for cash dividend policy are as follows: Firstly, confronted with tighter regulation on domestic and overseas capital under the two-pronged regulatory frameworks of monetary policy and macro-prudential policy, higher capital adequacy ratio has been required for commercial banks; Secondly, as the Company is currently in the crucial period of reform and transformation, more retained earnings are required to speed

up the implementation of strategic transformation and improve and adjust business structure in order to achieve the healthy and sustainable development in all businesses; Thirdly, the Company need to enhance profitability, increase capital supplement, enhance risk resilience as well as lift expectations of investors in sharing the growing of the Company and gaining reasonable investment returns. Considering the three reasons mentioned above, the Company raised the ratio of retained earnings properly.

The Independent Non-executive Directors of the Company issued the following opinion on the Profit Distribution Proposal: We agree with the Profit Distribution Proposal of the Company for the Second Half of 2017 considered and passed at the seventh meeting of the seventh session of the Board of the Company, and agree to propose such resolution to the 2017 Annual General Meeting of the Company for consideration. The Company is currently under strategic transformation, and the retained earnings are mainly used for accelerating the implementation of strategic transformation as well as improving and adjusting business structure so as to enhance overall risk resilience. We are of the view that, the above profit distribution proposal of the Company is in line with the actual conditions of the Company with both the interests of the Company and its shareholders taken into consideration, and complies with relevant laws, regulations and the Articles of Association, which is beneficial to the sustainable, stable and healthy development of the Company.

For details of the Independent Non-executive Directors' opinion, please refer to the websites of the SSE and the Company.

The above proposal will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

#### **4. Resolution on Interim Profit Distribution Authorization of 2018**

The meeting resolved to propose that the shareholders' general meeting authorize the Board to determine the Interim Profit Distribution Plan of 2018, in which the cash dividend shall be no less than 10% of the net profit of the Company in the first half of 2018.

The above proposal will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

#### **5. Resolution on the 2018 Financial Budget Report (Draft)**

The above proposal will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**6. Resolution on the Changes in Accounting Policies in 2017**

For details, please refer to the websites of the SSE and the Company.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**7. Resolution on the 2017 Work Report of the Board (Draft)**

The above proposal will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**8. Resolution on the 2017 Work Report of the President (Draft)**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**9. Resolution on the 2017 Social Responsibility Report**

For details, please refer to the websites of the SSE and the Company.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**10. Resolution on the 2017 Related Party Transaction Report**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**11. Resolution on the 2017 Internal Control Assessment Report**

For details, please refer to the websites of the SSE and the Company.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**12. Resolution on Re-appointment of Audit Firms and Their Remunerations for 2018**

The meeting resolved to continue to engage KPMG Huazhen LLP and KPMG Certified Public Accountants as the one-year-term auditors for the financial statements of the Company for 2018. The total remunerations will be RMB12 million, including fees for annual audit and interim review of RMB9.50 million, fees for agreed procedure service of RMB0.70 million for the first and third quarter financial statements respectively and fees for internal control audit of RMB1.10 million, which also include the relevant taxes and miscellaneous expenses.

The above proposal will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**13. Resolution on the 2017 Global Systemic Importance Indicators**

For details, please refer to the website of the Company.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**14. Resolution on Capital Structure and Leverage Ratio of the Company in 2017**

For details, please refer to the website of the Company.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**15. Resolution on the 2017 Capital Management Report**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**16. Resolution on the 2017 Internal Capital Adequacy Assessment Report**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**17. Resolution on the 2018 Capital Strategy**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**18. Resolution on the 2017 Risk Management Report**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**19. Resolution on the 2018 Guiding Opinion on Risk Management by the Board**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**20. Resolution on the 2018 Liquidity Risk Management Policies and Related Arrangements for the 1<sup>st</sup> Quarter of 2018**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**21. Resolution on the 2017 Case Prevention Review and Self-assessment Report**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**22. Resolution on the Administrative Measures on Financial Assets Impairment (Provisional)**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**23. Resolution on Extending the Validity Period of the Relevant Resolutions on Public Issuance of the A Share Convertible Corporate Bonds and the Authorization Period to the Board and Its Authorized Persons to Handle Related Matters**

The above proposal will be submitted to the shareholders' general meeting and class meetings for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**24. Resolution on Diluted Immediate Return and Remedial Measures for the Public Issuance of A Share Convertible Corporate Bonds**

For details, please refer to the websites of the SSE and the Company.

The above proposal will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**25. Resolution on the Report on Usage of Proceeds of Previous Issuance**

For details, please refer to the websites of the SSE and the Company.

The above proposal will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**26. Resolution on Granting General Authorization to the Board for Share Issuance**

The above proposal will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**27. Resolution on Establishing Project Teams for the Strategic Research and Development Service Base in Zhengzhou and the Head Office Building in CBD Beijing**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

**28. Resolution on Planning Adjustment and Kick-off of Preliminary Works of the**

### **Head Office Building in CBD Beijing**

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

### **29. Resolution on Writing off Bad Loans of Zhejiang Ocean Shipping Co., Ltd.**

The meeting consented to write off loans and interests of RMB371,833,041.67. The actual amount is subject to the number as at the accounting treatment day.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

### **30. Resolution on Writing off Bad Loans of Nantong CIMC Sinopacific Offshore & Engineering Co., Ltd**

The meeting consented to write off loans and interests of RMB360,972,762.57. The actual amount is subject to the number as at the accounting treatment day.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0 vote.

### **31. Resolution on Revising the Administrative Measures for Related Party Transactions of the Company**

The above proposal will be submitted to the shareholders' general meeting for review.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0

### **32. Resolution on the 2017 Environmental, Social and Governance Report**

For details, please refer to the websites of the SSE and the Company.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0

### **33. Resolution on Convening the 2017 Annual General Meeting, the 2<sup>nd</sup> A Share Class Meeting in 2018 and the 2<sup>nd</sup> H Share Class Meeting in 2018**

The Board discussed and consented the proposal to hold the 2017 annual general meeting, the 2<sup>nd</sup> A share class meeting in 2018 and the 2<sup>nd</sup> H share class meeting in 2018. The Board authorized the Board Secretary to confirm the time and venue of the above meetings after conclusion of this meeting, and choose voting method according to the regulatory requirements, send out meeting notices and prepare the detailed matters in relation to the meetings.

Voting result: Affirmative: 15 votes; Negative: 0 vote; Abstention: 0

**Board of Directors**  
**China Minsheng Banking Corporation Limited**