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China Minsheng Financial Holding Corporation Limited

中國民生金融控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 245)

DISCLOSEABLE TRANSACTION: PROVISION OF SENIOR TERM LOAN

THE LOAN AGREEMENT

The Board announces that on 24 February 2016, China Seven Star Wealth Management Limited, a subsidiary of the Company, (as the Lender) entered into the Loan Agreement with Jiarong Marine (HK) Co., Limited (as the Borrower), pursuant to which the Lender has agreed to provide the Senior Term Loan in the amount of up to HK\$120,000,000 to the Borrower, bearing an interest at a rate of 10% per annum for a term of 12 months, subject to the Extension.

THE INTERCREDITOR DEED

On 24 February 2016, China Seven Star Wealth Management Limited (as the Senior Creditor), Hope Star Shipping (HK) Company Limited (as the Junior Creditor) and the Obligors (including the Borrower, the Personal Guarantor and the Corporate Guarantors) entered into the Intercreditor Deed pursuant to which the Senior Creditor shall have priority over the Junior Creditor in, including but not limited to, any principal repayment, interest payment, securities and guarantees in respect of the Senior Term Loan and the Junior Term Loan.

LISTING RULES IMPLICATION

As certain applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the provision of the Senior Term Loan exceed 5% but are less than 25%, the entering into of the Loan Agreement and the provision of the Senior Term Loan constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE LOAN AGREEMENT

Date

24 February 2016

Parties to the Loan Agreement

- (a) the Lender; and
- (b) the Borrower

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Borrower and its respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Amount of the Senior Term Loan

The Senior Term Loan is in the principal amount of up to HK\$120,000,000.

Term

The term of the Senior Term Loan will be 12 months from the Date of Advance, subject to the Extension for a period of 12 months.

Drawdown

The Borrower may drawdown the Senior Term Loan any time during the period from date of the Loan Agreement to the date falling three months after the date of the Loan Agreement (both dates inclusive).

Upfront fee

The Borrower shall pay to the Lender an upfront fee in the amount of HK\$1,800,000 on the Date of Advance by way of deducting the upfront fee from the amount of the Advance.

Interest rate

The interest rate of the Senior Term Loan is at 10% per annum payable quarterly in advance. The interest rate was determined after arm's length negotiation between the parties taking into account the prevailing market interest rates and practices.

Source of funding

The Senior Term Loan will be financed by internal resources available to the Group.

Security and Guarantee

The Senior Term Loan is to be secured by:

- (1) the Personal Guarantee; and
- (2) the Corporate Guarantees.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Personal Guarantor and Corporate Guarantors and any ultimate beneficial owners of each of the Corporate Guarantors are third parties independent of the Company and connected persons of the Company.

Repayment

The Borrower shall repay all the Senior Term Loan, all unpaid interest accrued thereon and any other amounts due but unpaid under the Loan Agreement in full on the Maturity Date, subject to the Extension.

Prepayment

The Borrower may not voluntarily prepay the whole or any part of the Senior Term Loan.

INTERCREDITOR DEED

On 24 February 2016, China Seven Star Wealth Management Limited (as the Senior Creditor), Hope Star Shipping (HK) Company Limited (as the Junior Creditor) and the Obligors (including the Borrower, the Personal Guarantor and the Corporate Guarantors) entered into the Intercreditor Deed pursuant to which the Senior Creditor shall have priority over the Junior Creditor in, including but not limited to, any principal repayment, interest payment, securities and guarantees in respect of the Senior Term Loan and the Junior Term Loan.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Junior Creditor and any member of the Obligors and any ultimate beneficial owner of each of the Junior Creditor and any member of the Obligors are third parties independent of the Company and connected persons of the Company.

INFORMATION ON THE GROUP

The Group is currently principally engaged in securities brokerage, money lending, principal and strategic investments, trading of chemical materials, provision of consultancy services and provision of insurance agency services in the PRC.

INFORMATION ON THE BORROWER

The Borrower is a company incorporated in Hong Kong with limited liability and is principally engaged in shipping, transportation and marine agent and trading business.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The terms of the Loan Agreement were agreed by the parties after arm's length negotiations having taken into account the prevailing market interest rates and practices.

The Senior Term Loan will provide interest income to the Company. The Directors consider that the provision of the Senior Term Loan will result in a reasonable income and interest return to the Group. The Directors believe that the terms of the Senior Term Loan are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATION

As certain applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the provision of the Senior Term Loan exceed 5% but are less than 25%, the entering into of the Loan Agreement and the provision of the Senior Term Loan constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Advance”	means the principal amount of the advance made or to be made under the Loan Agreement or the principal amount of the advance outstanding under the Loan Agreement from time to time
“Board”	board of the Directors
“Borrower”	Jiarong Marine (HK) Co., Limited, a company incorporated in Hong Kong with limited liability
“Company”	China Minsheng Financial Holding Corporation Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Guarantees”	guarantees by each of the Corporate Guarantors in favour of the Lender
“Corporate Guarantors”	大連泰嘉海運集團有限公司 (Dalian Taijia Marine Logistics Group Company Limited*) and 北京普臨投資集團有限公司 (Beijing Pulin Investment Group Company Limited*)
“Date of Advance”	the date on which the Advance is drawdown
“Director(s)”	the director(s) of the Company
“Extension”	the extension of the Senior Term Loan for another 12 months to be agreed by the Lender in writing before the Maturity Date at an extension fee of HK\$2,400,000

“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Intercreditor Deed”	intercreditor deed dated 24 February 2016 entered into amongst the Senior Creditor, the Junior Creditor and the Obligors in relation to the Senior Term Loan and the Junior Term Loan
“Junior Creditor”	Hope Star Shipping (HK) Company Limited, a company incorporated in Hong Kong with limited liability
“Junior Loan Agreement”	the loan agreement dated 24 February 2016 between the Junior Creditor and the Borrower in relation to the Junior Term Loan
“Junior Term Loan”	junior term loan in the principal sum of up to HK\$120,000,000 under the Junior Loan Agreement
“Lender” or “Senior Creditor”	China Seven Star Wealth Management Limited, a subsidiary of the Company which holds a money lender’s license
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Loan Agreement”	the loan agreement dated 24 February 2016 entered into between the Lender and the Borrower in relation to the Senior Term Loan
“Maturity Date”	the date falling 12 months from the Date of Advance
“Obligors”	the Borrower, the Personal Guarantor and the Corporate Guarantors
“Personal Guarantee”	guarantee by the Personal Guarantor in favour of the Lender
“Personal Guarantor”	Qu Jinghui
“PRC”	the People’s Republic of China
“Senior Term Loan”	senior term loan in the principal sum of up to HK\$120,000,000 under the Loan Agreement
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

By Order of the Board
China Minsheng Financial Holding Corporation Limited
Zhang Sheng
Chairman

Hong Kong, 24 February 2016

As at the date of this announcement, the Board comprises (1) Mr. Liu Tianlin, Mr. Wang Sing, Ms. Feng Xiaoying and Mr. Zhao Hongbo as executive directors of the Company; (2) Mr. Zhang Sheng and Mr. Ni Xinguang as non-executive directors of the Company; and (3) Mr. Lyu Wei, Mr. Chen Johnny, Mr. Beczak Thaddeus Thomas and Mr. Ling Yu Zhang as independent non-executive directors of the Company.

** for identification purposes only*