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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: EXTENSION OF SENIOR TERM LOAN

THE AMENDMENT AGREEMENT

Reference is made to the announcement of the Company dated 24 February 2016 in relation to the Senior Term Loan provided by the Lender in the amount of up to HK\$120,000,000 to the Borrower.

As at the date of this announcement, HK\$20,000,000 of the Senior Term Loan was repaid. As the Senior Term Loan has matured on 28 February 2018, the Lender, the Borrower, Hope Star and the Original Guarantors entered into the Amendment Agreement on 11 March 2018, pursuant to which the Loan Agreement shall be amended to, amongst others, extend the maturity date of the Remaining Senior Term Loan to the Extended Maturity Date, with effect from 1 March 2018.

LISTING RULES IMPLICATION

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

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THE AMENDMENT AGREEMENT

Date

11 March 2018

Parties to the Amendment Agreement

- (a) the Lender;
- (b) the Borrower;
- (c) Hope Star; and
- (d) the Original Guarantors.

The Borrower, Hope Star and each of the Original Guarantors does not hold more than 5% shareholding in CMI or any CMI subsidiaries. The Borrower, Hope Star, each of the Original Guarantors and their respective associates (as defined under the Listing Rules) do not control the Board and do not have any other interest in the Company except as disclosed in this announcement.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Borrower, Hope Star, each of the Original Guarantors and their ultimate beneficial owners are Independent Third Parties.

Amount of the Remaining Senior Term Loan

The Remaining Senior Term Loan is in the principal amount of HK\$100,000,000.

Extension of the term

The maturity date of the Remaining Senior Term Loan shall be extended for 9 months to the Extended Maturity Date, i.e. the term of the Remaining Senior Term Loan shall be 33 months from the Date of Advance.

Interest rate

The interest rate of the Remaining Senior Term Loan during the extended term is at 11% per annum payable quarterly in advance. The Borrower shall pay to the Lender interest in the aggregate amount of up to HK\$7,755,000 for the extended term. The interest rate was determined after arm's length negotiation between the parties taking into account the prevailing market interest rates and practices.

Arrangement Fee

The Borrower shall pay the Lender an arrangement fee of HK\$2,000,000.

Source of funding

The transaction involves the extension of the Remaining Senior Term Loan, no additional funding by the Company is required.

Guarantee and Security

The Remaining Senior Term Loan is to be guaranteed and secured by:

- (a) a charge given by the Chargor over the entire issued share capital of the Borrower;
- (b) the Corporate Guarantees; and
- (c) the Personal Guarantees.

Each of the Chargor, the Personal Guarantors and the Corporate Guarantors does not hold more than 5% shareholding in CMI or any CMI subsidiaries. Each of the Chargor, the Personal Guarantors, the Corporate Guarantors and their respective associates (as defined under the Listing Rules) do not control the Board and do not have any other interest in the Company except as disclosed in this announcement.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Personal Guarantors, the Corporate Guarantors, the Chargor and their ultimate beneficial owner(s) are Independent Third Parties.

Repayment

The Borrower shall repay at least HK\$2,000,000 monthly, and shall repay the Remaining Senior Term Loan, all unpaid interest accrued thereon and any other amounts due but unpaid under the Loan Agreement and the other finance documents in full on the Extended Maturity Date.

Prepayment

The Borrower may, subject to the Lender's consent, prepay the whole or any part of the Remaining Senior Term Loan at any time.

INFORMATION ON THE GROUP

The Company is a company incorporated in Hong Kong with limited liability and the shares of the Company have been listed on the Stock Exchange since 25 August 1972. The Company is an investment holding company. The principal activities of the Group include investment holding, provision of asset management services, consultancy services, financing services, insurance agency services, securities advisory and securities brokerage services.

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

The extension of the Remaining Senior Term Loan will provide further interest income to the Company. The Directors consider that the extension of the Remaining Senior Term Loan will result in a reasonable income and interest return to the Group. The Directors believe that the terms of the Amendment Agreement and the Remaining 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 extension of the Remaining Senior Term Loan under the Amendment Agreement exceed 5% but are less than 25%, the entering into of the Amendment Agreement and the transactions contemplated thereunder 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
“Amendment Agreement”	the amendment agreement dated 11 March 2018 entered into by the Lender, the Borrower, Hope Star and the Original Guarantors in relation to the Loan Agreement
“Board”	board of the Directors
“Borrower”	Jiarong Marine (HK) Co., Limited, a company incorporated in Hong Kong with limited liability
“Chargor”	Jiarong Shipping Limited, a company incorporated in the British Virgin Islands with limited liability and the sole shareholder of the Borrower
“CMI”	China Minsheng Investment Corporation Limited* (中國民生投資股份有限公司), the ultimate parent company of the Company

“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 and supplemental guarantees entered into by each of the Corporate Guarantors in favour of the Lender in form and substance satisfactory to 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”	1 March 2016, being the date on which the Advance was made
“Director(s)”	the director(s) of the Company
“Extended Maturity Date”	30 November 2018, the date falling 33 months from the Date of Advance
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Hope Star”	Hope Star Shipping (HK) Company Limited, a company incorporated in Hong Kong with limited liability
“Independent Third Parties”	persons who are not a connected person to the Company pursuant to Chapter 14A of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Lender”	CM Wealth Holdings Limited (formerly known as China Seven Star Wealth Management Limited), a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company
“Loan Agreement”	the loan agreement dated 24 February 2016 entered into between the Lender and the Borrower in relation to the Senior Term Loan, as amended and restated from time to time by, among others, the Amendment Agreement
“Original Guarantors”	the Corporate Guarantors and Qu Jinghui

“Personal Guarantees”	guarantees by each of the Personal Guarantors in favour of the Lender in form and substance satisfactory to the Lender
“Personal Guarantors”	Qu Jinghui and Mo Lijun
“PRC”	the People’s Republic of China
“Remaining Senior Term Loan”	the outstanding principal amount of the Senior Term Loan
“Senior Term Loan”	the senior term loan in the principal amount of HK\$120,000,000 under the Loan Agreement (as amended and restated from time to time pursuant to, among others, the Amendment 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
“%”	per cent

By Order of the Board
China Minsheng Financial Holding Corporation Limited
Chen Guogang
Chairman

Hong Kong, 12 March 2018

As at the date of this announcement, the Board comprises (1) Mr. Chen Guogang, Mr. Wang Dongzhi and Mr. Ni Xinguang as executive directors; (2) Mr. Ma Jianting as non-executive director; and (3) Mr. Chen Johnny, Mr. Lyu Wei, Mr. Ling Yu Zhang and Dr. Guan Tao as independent non-executive directors of the Company.

* *For identification purposes only*