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(incorporated in Hong Kong with limited liability)
(stock code: 273)

**DISCLOSEABLE TRANSACTION:
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN
THREE TARGET COMPANIES**

The Board is pleased to announce that on 25 November 2015 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company), as purchaser, entered into the Agreement with the Vendor, as vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Companies, and the GBL Shareholder's Loan at a consideration of HK\$441,111,890.00 (subject to adjustment).

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE AGREEMENT

Date: 25 November 2015

Parties: (1) Purchaser (a wholly-owned subsidiary of the Company), as purchaser
(2) Vendor, as vendor

The Vendor is a company incorporated in Bermuda as an exempted company with limited liability and is principally engaged in investment holding. The Vendor is a wholly-owned subsidiary of Guoco Group Limited (Stock code:053). Guoco Group Limited is an investment holding company with operations and investments principally located in Asia and Europe. Its subsidiaries and associated companies are primarily involved in principal investment activities, property development and

investment, hospitality and leisure operations and financial services. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the date of this announcement, each of the Vendor and its ultimate beneficial owner(s) is an independent third party of the Company and its connected persons.

Assets to be acquired

Pursuant to the Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares and the GBL Shareholder's Loan. The Sale Shares represent the entire issued share capital of the Target Companies, namely GCL, GFL and GBL.

Consideration

The Consideration for the Sale Shares and the GBL Shareholder's Loan is in the aggregate sum of HK\$441,111,890.00 (subject to adjustment) which consists of:

- (1) HK\$439,111,890.00, being the consideration for the Sale Shares, of which HK\$389,908,569.60 shall be for GCL, HK\$48,267,320.40 shall be for GFL and HK\$936,000.00 shall be for GBL (subject to adjustment as described below); and
- (2) HK\$2,000,000 for the sale and purchase of the GBL Shareholder's Loan.

The Consideration shall be payable in cash by the Purchaser to the Vendor in the following manner:

- (1) an initial deposit of HK\$109,777,972.50 (the "**Initial Deposit**") and an additional deposit of HK\$109,777,972.50 (the "**Additional Deposit**") at the time of signing of the Agreement; and
- (2) the remaining balance of HK\$221,555,945.00 (subject to adjustment) at Completion.

The Consideration was determined through arm's length negotiations between the Purchaser and the Vendor on a commercial basis with reference to the June 2015 NAV with a level of premium that takes into account: (i) the premium of other comparable and recent completed transactions in the market; and (ii) the well-established technological infrastructure and broad client base of the Target Companies. The Consideration will be funded by the Group's internal resources.

The Directors are of the view that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Adjustment to Consideration

The Consideration shall be adjusted in the following manner:

- (1) if the Completion NAV is greater than the June 2015 NAV, by adding the excess multiplied by 1.8; or
- (2) if the Completion NAV is less than the June 2015 NAV, by deducting the difference multiplied by 1.8.

Completion Accounts

The Vendor shall provide a copy of the Completion Accounts to the Purchaser two Business Days prior to Completion for adjusting the Consideration. In the event that the Vendor and the Purchaser do not mutually agree upon the contents of the Completion Accounts within two Business Days, Completion shall nevertheless proceed based on the Completion Accounts, but the Purchaser shall at its own cost have the right to have the Completion Accounts audited by its auditors. Should the audited results be different from the Completion NAV, the Vendor shall repay the overpaid Consideration to the Purchaser; or the Purchaser shall pay the underpaid Consideration to the Vendor within 5 Business Days.

Conditions precedent

Completion shall be conditional upon and subject to:

- (1) the Purchaser obtaining the necessary approval(s) from the SFC (regardless whether such approval is subject to conditions or not) to become a substantial shareholder of each of GCL and GFL; and
- (2) the subordinated standby loan facility in the amount of up to HK\$100,000,000 pursuant to an agreement dated 27 August 2007 between Guoco Group Limited, GCL and the SFC and which expiry date was extended to 26 August 2017 being terminated with the SFC's consent (regardless whether such consent is subject to conditions or not).

The above condition (1) is incapable of being waived. The above condition (2) is capable of being waived by the Vendor by giving written notice to the Purchaser.

Completion

Completion shall take place at 11:00 a.m. on the later of (i) the date falling on the second Business Day after the day on which the last of the conditions precedent of the Agreement to be satisfied shall have been fulfilled or waived or (ii) the 20th day of the calendar month in which the last of the conditions precedent of the Agreement shall have been fulfilled or waived, being not later than 24 March 2016 or such later date to be agreed between the Purchaser and the Vendor.

Upon Completion, each of the Target Companies will become a wholly-owned subsidiary of the Company and their financial information will be consolidated into the Group's consolidated financial statements.

Termination and return of deposit

- (1) In the event that Completion does not take place as a result of the default of the Vendor, the Vendor shall forthwith refund the Initial Deposit and the Additional Deposit (without interest) and pay an amount equivalent to 5% of the June 2015 NAV as liquidated damages to the Purchaser.
- (2) In the event that Completion does not take place as a result of the default of the Purchaser, the Vendor shall be entitled to forfeit and retain the Initial Deposit and the Additional Deposit.
- (3) In the event that Completion does not take place as a result of non-fulfilment of the conditions precedent of the Agreement by 24 March 2016 or such later date to be agreed between the Purchaser and the Vendor without default of neither the Vendor nor the Purchaser, the Agreement shall be terminated and the Vendor shall forfeit and retain the Initial Deposit, and forthwith refund the Additional Deposit (without interest) to the Purchaser.
- (4) In the event that (i) the Vendor failed to disclose that any of GCL or GFL is currently involved in any investigation by the SFC which would have a material and adverse effect on the continued licensed status of GCL and GFL; or (ii) the Target Companies have made undisclosed capital commitments outside of the ordinary course of business which exceed HK\$30,000,000 in aggregate, the Purchaser may elect to terminate the Agreement and the Vendor shall forthwith refund the Initial Deposit and the Additional Deposit (without interest) and pay an amount equivalent to 5% of the June 2015 NAV as liquidated damages to the Purchaser.

INFORMATION ON THE TARGET COMPANIES

GCL

GCL is a company incorporated in Hong Kong with limited liability. The principal business of GCL is dealing in securities, provision of securities margin financing and provision of investment and corporate finance advisory services. It is a licensed corporation under the SFO carrying licenses types 1, 4 and 6 and an Exchange Participant of the Stock Exchange.

The key financial information of GCL based on the audited financial statements of GCL for each of the two years ended 30 June 2014 and 2015 is set out below:

	For the year ended 30 June 2015 (audited) HK\$	For the year ended 30 June 2014 (audited) HK\$
Profit before tax	5,695,636	4,822,591
Profit after tax	5,441,287	4,506,227

The audited net asset value of GCL as at 30 June 2015 is HK\$216,615,872.

GFL

GFL is a company incorporated in Hong Kong with limited liability. The principal business of GFL is commodities broking. It is a licensed corporation under the SFO carrying licenses type 2 and a Clearing Participant of the HKFE Clearing Corporation Limited.

The key financial information of GFL based on the audited financial statements of GFL for each of the two years ended 30 June 2014 and 2015 is set out below:

	For the year ended 30 June 2015 (audited) HK\$	For the year ended 30 June 2014 (audited) HK\$
Loss before tax	208,029	1,621,533
Loss after tax	169,765	1,661,361

The audited net asset value of GFL as at 30 June 2015 is HK\$26,815,178.

GBL

GBL is a company incorporated in Hong Kong with limited liability. The principal business of GBL is bullion trading services.

The unaudited financial information of GBL for the period from 6 June 2014 (being the date of incorporation of GBL) to 30 June 2015 is set out below:

	For the period from 6 June 2014 to 30 June 2015 (unaudited) HK\$
Loss before tax	480,000
Loss after tax	480,000

The unaudited net asset value of GBL as at 30 June 2015 is HK\$520,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the business of investment in securities trading, money lending, property investment and investment holding. As mentioned in the Company's interim results announcement in late August 2015, the Group has planned to develop businesses in the financial services industry in view of the opportunities therein. The Target Companies are licensed corporations under the SFO carrying licenses types 1, 2, 4 and 6, and are principally engaged in the business of dealing in securities, commodities broking, bullion trading services, provision of securities margin financing and provision of investment and corporate finance advisory services. Considering the well-established technological infrastructure and broad client base of the Target Companies, the Board believes that the investment in the Target Companies as well as in other well-established financial services companies will complement the Group's plan to develop businesses in the financial services industry and increase the Shareholders' value and benefit the Company and the Shareholders as a whole.

In view of the above, the Directors consider that the terms of the Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the Sale Shares and the GBL Shareholder’s Loan by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the agreement dated 25 November 2015 and entered into between the Purchaser, as a purchaser and the Vendor, as a vendor in respect of the acquisition of the Sale Shares and the GBL Shareholder’s Loan by the Purchaser from the Vendor
“Board”	the board of Directors
“Business Day”	a day other than a public holiday, Saturday or Sunday on which banks are generally open for commercial business in Hong Kong
“Company”	Mason Financial Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 273)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Accounts”	the unaudited management accounts of each of the Target Companies made up to the date falling on the last day of the calendar month immediately prior to the date of Completion
“Completion NAV”	the aggregate of the net assets values of the Target Companies as shown in the Completion Accounts
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Consideration”	HK\$441,111,890.00 (subject to adjustment), being the consideration for the sale and purchase of the Sale Shares and the GBL Shareholder’s Loan

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“GBL”	GuocoCapital Bullion Limited, a company incorporated in Hong Kong with limited liability
“GBL Shareholder’s Loan”	a shareholder’s loan in the amount of HK\$2,000,000 owed by GBL to the Vendor as at the date of the Agreement
“GCL”	GuocoCapital Limited, a company incorporated in Hong Kong with limited liability
“GFL”	GuocoCapital Futures Limited, a company incorporated in Hong Kong with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“June 2015 NAV”	the aggregate of the net assets values of the Target Companies as shown in the audited accounts of each of GCL and GFL and the unaudited management accounts of GBL for the period ended on 30 June 2015
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Mason Innovation Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company
“Sale Shares”	<p>the aggregate of:</p> <ul style="list-style-type: none"> (i) 120,000 ordinary shares of HK\$12,000,000 in the issued share capital of GCL, (ii) 100,000 ordinary shares of HK\$10,000,000 in the issued share capital of GFL; and (iii) 1,000,000 ordinary shares of HK\$1,000,000 in the issued share capital of GBL, <p>representing the entire issued share capital of the Target Companies</p>

“Shareholder(s)”	holder(s) of the share(s) in the capital of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	GCL, GFL and GBL
“Vendor”	Guoco Securities (Bermuda) Limited, a company incorporated in Bermuda as an exempted company with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Mason Financial Holdings Limited
Zhang Yongdong
Chairman

Hong Kong, 25 November 2015

As at the date of this announcement, the Board comprises:-

Executive Directors:

Mr. Zhang Yongdong
Mr. Cheung Wing Ping
Ms. Cheung Ka Yee
Mr. Man Wai Chuen

Non-executive Director:

Dr. Xia Xiaoning

Independent Non-executive Directors:

Mr. Lam Yiu Kin
Dr. Antonio Maria Santos
Mr. Yuen Kwok On