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MASON FINANCIAL HOLDINGS LIMITED

民信金控有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

DISCLOSEABLE TRANSACTION: PROVISION OF LOAN FACILITY

The Board is pleased to announce that on 30 December 2016, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Second Facility Agreement with the Second Borrower, pursuant to which the Lender has agreed to provide the Second Facility in the amount up to US\$8,250,000 (equivalent to approximately HK\$64,020,000) to the Second Borrower, bearing interest at the rate of 1.5% per month, for a term of 2 months.

The Second Facility in itself would not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However as the Second Borrower is associated with the First Borrower, certain percentage ratios under the Second Facility Agreement, when aggregated with the First Facility Agreement, exceed 5% but less than 25%. Hence the entering into of the Second Facility Agreement and the provision of the Second Facility constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE SECOND FACILITY AGREEMENT

Date:

30 December 2016

Parties to the Second Facility Agreement:

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

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries: the Second Borrower and its ultimate beneficial owners are Independent Third Parties.

Amount of the Second Facility:

The Second Facility is in the principal amount up to US\$8,250,000 (equivalent to approximately HK\$64,020,000). The Second Facility will be financed by the internal resources of the Group.

Term:

The term of the Second Facility Agreement is 2 months from the Drawdown Date.

Interest rate:

1.5% per month, payable one month from the Drawdown Date and thereafter on the maturity date. The interest rate was determined after arm's length negotiation between the Lender and the Second Borrower taking into account the prevailing market interest rates and practices.

Security and guarantee:

The Second Facility is secured by a personal guarantee executed by the Guarantor in favour of the Lender.

To the best of the Director's knowledge, information and belief, and having made all reasonable enquiries, the Guarantor is an Independent Third Party.

Maturity date:

The Second Borrower shall repay the Second Facility together with accrued interest and all other monies payable in connection with the Second Facility in one lump-sum on the date falling two (2) months from the Drawdown Date.

INFORMATION ON THE GROUP AND THE LENDER

The Group principally provides comprehensive financial services in Hong Kong, including dealing in securities, commodities broking, bullion trading services, provision of securities margin financing, provision of investment and corporate finance advisory services, investment in securities trading, money lending and investment holding. Capitalising on its existing financial services platform, the Group continues to develop its business into direct investment, provision of wealth management complimenting the securities and fund management business.

The Lender is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is a money lender licensed in Hong Kong under the provisions of the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong). The Lender conducts money lending business in Hong Kong.

INFORMATION ON THE SECOND BORROWER AND THE GUARANTOR

The Second Borrower is an investment holding company incorporated in Hong Kong with limited liability. It is associated with the First Borrower as the holding company of the Second Borrower has certain indirect shareholding in the First Borrower. The Guarantor is the ultimate beneficial owner of the Second Borrower.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE SECOND FACILITY

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

The Second Facility will provide interest income to the Company. The Directors consider that the provision of the Second Facility, which is part of the ordinary course of business of the Group, will provide a reasonable and stable income and interest return to the Group. The Directors believe that the terms of the Second Facility are fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATION

The Second Facility in itself would not exceed 5% of any of the percentage ratios under Rule 14.07 of the Listing Rules. However as the Second Borrower is associated with the First Borrower, certain percentage ratios under the Second Facility Agreement, when aggregated with the First Facility Agreement, exceed 5% but less than 25%. Hence the entering into of the Second Facility Agreement and the provision of the Second Facility 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:

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| “Board” | the board of Directors |
| “Company” | Mason Financial Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Stock Exchange |
| “connected person” | has the same meaning as ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Drawdown Date” | the date on which the Second Facility is drawn down by the Second Borrower |
| “First Borrower” | a company incorporated in the British Virgin Islands with limited liability, which is an Independent Third Party |
| “First Facility Agreement” | the facility agreement dated 27 October 2016 and entered into between the Lender and the First Borrower |
| “Group” | the Company and its subsidiaries |
| “Guarantor” | the ultimate beneficial owner of the Second Borrower |

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| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company |
| “Lender” | Mason Resources Finance Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities of the Stock Exchange |
| “Second Borrower” | a company incorporated in Hong Kong with limited liability, which is an Independent Third Party |
| “Second Facility” | the term loan facility in the principal amount up to US\$8,250,000 (equivalent to approximately HK\$64,020,000) under the Second Facility Agreement |
| “Second Facility Agreement” | the facility agreement dated 30 December 2016 entered into between the Lender and the Second Borrower in relation to the Second Facility |
| “Share(s)” | the ordinary share(s) of the Company |
| “Shareholder(s)” | the holders of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent. |

On behalf of the Board
Mason Financial Holdings Limited
Ko Po Ming
Joint Chairman & Chief Executive Officer

Hong Kong, 30 December 2016

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

Executive Directors:

Mr. Ko Po Ming (*Joint Chairman and Chief Executive Officer*)

Mr. Chang Tat Joel

Mr. Man Wai Chuen

Ms. Lui Choi Yiu, Angela

Non-executive Directors:

Mr. Tong Tang, Joseph (*Joint Chairman*)

Ms. Hui Mei Mei, Carol

Independent Non-executive Directors:

Mr. Lam Yiu Kin

Mr. Yuen Kwok On

Mr. Tian Ren Can