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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 27 October 2016, the Lender, an indirect wholly-owned subsidiary of the Company entered into the Facility Agreement with the Borrower, pursuant to which the Lender has agreed to provide a Facility in the amount up to HK\$350,000,000 to the Borrower, bearing interest of initially 7% per annum on top of the Prime Rate quoted by HSBC and thereafter at 5% per annum on top of the Prime Rate quoted by HSBC upon the execution of the keepwell deed and the corporate guarantee by Keepwell Provider in favour of the Lender, for a term of 12 months, subject to extension for the Extension Period.

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

THE FACILITY AGREEMENT

Date

27 October 2016

Parties to the Facility 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 ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Amount of the Facility

The Facility is in the principal amount up to HK\$350,000,000. The Facility will be financed by the internal resources of the Group.

Term

The term of the Facility Agreement will be 12 months from the Utilization Date, subject to the extension for the Extension Period.

The Facility shall be extended for another 12 months commencing from the date after the Maturity Date (the “**Extension Period**”), provided, the Borrower shall give the Lender at least 20 business days written notice for the extension of the Facility.

Interest Rate

Initially, at 7% per annum on top of the Prime Rate quoted by HSBC and thereafter at 5% per annum on top of the Prime Rate quoted by HSBC upon the execution of the keepwell deed and the corporate guarantee by Keepwell Provider in favour of the Lender. The interest rate was determined after arm’s length negotiation between the Lender and the Borrower taking into account the prevailing market interest rates and practices.

Security and guarantee

The Facility is secured by:

- (a) a charge executed by the Borrower to which the Borrower agreed to charge by way of first legal charge of all the Charged Assets in favour of the Lender;
- (b) a keepwell deed to be executed by Keepwell Provider in favour of the Lender; and
- (c) a corporate guarantee to be executed by Keepwell Provider in favour of the Lender.

To the best of the Director’s knowledge, information and belief, and having made all reasonable enquiries, Keepwell Provider is a third party independent of the Company and the connected persons of the Company.

Repayment

The Borrower shall repay the outstanding principal amount of the Facility and all unpaid interest accrued thereon under the Facility Agreement in full on the Maturity Date or the end of the Extended Period (if applicable).

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 BORROWER AND THE KEEPWELL PROVIDER

The Borrower is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. Keepwell Provider is the sole ultimate beneficial owner of the Borrower.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE FACILITY

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

The Facility will provide interest income to the Company. The Directors consider that the provision of the Facility will result in a reasonable and stable income and interest return to the Group. The Directors believe that the terms of the Facility 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 Facility exceed 5% but less than 25%, the entering into of the Facility Agreement and the provision of the 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:

“Board”	the board of Directors of the Company
“Borrower”	a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of Keepwell Provider
“Charged Assets”	certain issued shares of the Listco

“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
“Facility”	the term loan facility in the principal amount up to HK\$350,000,000 under the Facility Agreement
“Facility Agreement”	the facility agreement dated 27 October 2016 entered into between the Lender and the Borrower in relation to the Facility
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Keepwell Provider”	a company incorporated in the People’s Republic of China and the A Shares of which are listed on the Shenzhen Stock Exchange
“Lender”	Mason Resources Finance Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company
“Listco”	a company incorporated in Cayman Islands and its shares of which are listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Maturity Date”	the date falling 12 months from the Utilization Date
“Prime Rate”	the prime lending rate quoted by HSBC
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holders of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Utilization Date”	the date on which the Facility is drawn down

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

“%” per cent

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

Hong Kong, 27 October 2016

As at the date of this announcement, the board of Directors 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