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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

BACKGROUND

The Board is pleased to announce that on 3 April 2017 (after trading hours), the Purchaser and the Vendor entered into the SP Agreement in relation to the Acquisition. Pursuant to the SP Agreement, the Vendor agreed to sell the Sale Interest together with the Sale Loan and the Purchaser agreed to purchase the Sale Interest together with the Sale Loan at a consideration of HK\$109,643,348.20. The Completion took place on the same date, which was immediately after the signing of the SP Agreement. Immediately after Completion, the Target Company became an indirect non-wholly owned subsidiary of the Company and the financial results of the Target Company are consolidated into the Group's financial information.

As none of the applicable percentage ratios in respect of the Acquisition is more than 5%, the Acquisition is therefore not subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

LOAN FACILITY

The Target Company is a company principally engaged in the business of provision of mortgage loans and it has provided the Loan Facility to Borrower-C in the amount up to HK\$110,000,000. As the Target Company became an indirect non-wholly owned subsidiary of the Company immediately after Completion, the Loan Facility would accordingly be provided by the Group to Borrower-C.

As disclosed in the October Announcement, Mason Resources provided a loan facility to Borrower-A under the Facility Agreement-A. As disclosed in the December Announcement, Mason Resources provided a loan facility to Borrower-B under the Facility Agreement-B. Since Borrower-C is associated with Borrower-A and Borrower-B, certain percentage ratios under the Loan Facility, when aggregated with the Facility Agreement-B and Facility Agreement-A, exceeds 5% but less than 25%. Hence, the Loan Facility constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE LOAN FACILITY

The principal terms of the Loan Facility Letter are set out below:

Date: 20 January 2017

Parties to the Loan Facility Letter:

- (a) the Target Company (as Lender); and
- (b) Borrower-C (as borrower).

Save as disclosed in this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Borrower-C and its ultimate beneficial owners are Independent Third Parties.

Amount of the Loan Facility:

The Loan Facility is in the principal amount up to HK\$110,000,000.

Term:

The term of the Loan Facility Letter is 60 months from the drawdown date, being 20 January 2017 (the “**Drawdown Date**”).

Interest rate:

4.13% per annum above the Prime Rate from time to time and it is capped at 9.50% per annum, and shall be charged and calculated with the usual monthly rests and on monthly basis or at such times or intervals as the parties may agree from time to time.

Security:

First legal charge over the Property.

Maturity date:

The Loan Facility and all interest accrued thereon shall be fully repaid on the date falling on the expiry of 60 months from the Drawdown Date unless it is prepaid.

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. The Group is also principally engaged in the healthcare and mother and child care related business. 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 Target Company (i.e. the Lender), a company incorporated in the British Virgin Islands, an indirect non-wholly owned subsidiary of the Company after the Completion. The principal business of the Target Company is provision of mortgage loans.

INFORMATION ON BORROWER-C

Borrower-C is an investment holding company incorporated in Hong Kong with limited liability, and is associated with Borrower-A and Borrower-B.

REASONS AND BENEFITS FOR THE LOAN FACILITY

The Directors are of the view that through the Acquisition, the Target Company's business and the Loan Facility will form part of the ordinary course of business of the Group and will contribute to the regular interest income of the Group. The Purchaser is also principally engaged in mortgage loans financing and hence, the acquisition will enlarge its current portfolio. The Directors believe that the terms of the Loan Facility are fair and reasonable, on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As disclosed in the October Announcement, Mason Resources provided a loan facility to Borrower-A under the Facility Agreement-A. As disclosed in the December Announcement, Mason Resources provided a loan facility to Borrower-B under the Facility Agreement-B. Since Borrower-C is associated with Borrower-A and Borrower-B, certain percentage ratios under the Loan Facility, when aggregated with the Facility Agreement-B and Facility Agreement-A, exceeds 5% but less than 25%. Hence, the Loan Facility constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Interest and the Sale Loan by the Purchaser pursuant to the SP Agreement
“associate”	as defined in the Listing Rules
“Board”	the board of Directors of the Company
“Borrower-A”	a company incorporated in the British Virgin Islands with limited liability, which is an Independent Third Party
“Borrower-B”	a company incorporated in Hong Kong with limited liability, which is an Independent Third Party
“Borrower-C”	a company incorporated in Hong Kong with limited liability, which is an Independent Third Party
“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
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the SP Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“December Announcement”	the announcement of the Company dated 30 December 2016 on a discloseable transaction relating to the provision of a term loan facility pursuant to Facility Agreement-B
“Director(s)”	the director(s) of the Company
“Facility Agreement-A”	the facility agreement dated 27 October 2016 and entered into between Mason Resources and Borrower-A a term loan facility in the principal amount up to HK\$350,000,000, details of which were disclosed in the October Announcement
“Facility Agreement-B”	the facility agreement dated 30 December 2016 entered into between the Mason Resources and Borrower-B in relation to term loan facility in the principal amount up to US\$8,250,000 (equivalent to approximately HK\$64,020,000), details of which were disclosed in the December Announcement
“Group”	the Company and its subsidiaries
“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
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Loan Facility”	the term loan facility in the principal amount up to HK\$110,000,000 under the Loan Facility Letter
“Loan Facility Letter”	the loan facility letter dated 20 January 2017 entered into between the Target Company and Borrower-C in relation to the Loan Facility
“Mason Resources”	Mason Resources Finance Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company
“October Announcement”	the announcement of the Company dated 27 October 2016 on a discloseable transaction relating to the provision of a term loan facility pursuant to Facility Agreement-A
“percentage ratios”	as defined in the Listing Rules
“Prime Rate”	Hong Kong dollar prime rate as quoted by Bank of East Asia Limited

“Property”	No. 30 Sassoon Road, Hong Kong
“Purchaser”	Mason Capital Investments Ltd, a company incorporated in the British Virgin Islands and an indirect non-wholly owned subsidiary of the Company
“Sale Interest”	100% equity interest in the Target Company
“Sale Loan”	the shareholder’s loan due from the Target Company to the Vendor immediately before the Completion
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holders of the Shares of the Company
“SP Agreement”	the sale and purchase agreement dated 3 April 2017 entered into among the Purchaser and Vendor relating to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company” or “Lender”	Glorious Supreme Investments Management Limited, a company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Vendor before Completion
“Vendor”	Supreme Global Asset-Backed Fixed Income Fund SPC, a company incorporated in the Cayman Islands, an Independent Third Party to the Company
“%”	per cent
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 3 April 2017

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