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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 4 November 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\$280,000,000 to the Borrower, bearing interest at a rate of 7% per annum on top of the Prime Rate quoted by HSBC, 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**

4 November 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 owner (i.e. the Guarantor) 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\$280,000,000. 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 first 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, provided, the Borrower shall give the Lender at least 20 business days written notice for the extension of the Facility.

## **Arrangement fee**

The Borrower shall pay the Lender an arrangement fee in the amount of HK\$2,800,000 on the date of the Facility Agreement.

## **Interest rate and interest payment**

The interest rate is set at 7% per annum on top of the Prime Rate quoted by HSBC. 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.

Each Interest Period for a loan made under the Facility shall start on its Utilization Date or (if already made) on the last day of its preceding Interest Period. The Borrower shall pay accrued interest on each loan made under the Facility on the last day of each Interest Period.

## **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 all the Charged Assets in favour of the Lender. During the term of the Facility, the Charged Assets shall be maintained at no less than 50% of the entire number of issued shares in the Listco; and
- (b) 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 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 Repayment 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 BORROWER AND THE GUARANTOR**

The Borrower is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Guarantor 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 having taken into 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 direct wholly-owned by the Guarantor
“Charged Assets”	436,540,400 issued shares in 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
“Extension Period”	the extension period of 12 months commencing from the date after the Maturity Date
“Facility”	the loan facility in the principal amount of up to HK\$280,000,000 under the Facility Agreement
“Facility Agreement”	the Facility Agreement dated 4 November 2016 entered into between the Lender and the Borrower in relation to the Facility
“Group”	the Company and its subsidiaries
“Guarantor”	the sole shareholder of the Borrower
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Interest Period”	three months (unless otherwise agreed by the Lender), which shall not be extend beyond the Repayment Date
“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
“Repayment Date”	the Maturity Date or the end of the Extension Period (if applicable)
“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, 4 November 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