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(Incorporated in Hong Kong with limited liability)
(Stock Code: 273)

**DISCLOSEABLE TRANSACTION —
PROPOSED INVESTMENT IN A FOREIGN-FUNDED
JOINT STOCK COMPANY LIMITED IN SHANGHAI**

The Board is pleased to announce that, on 21 September 2015 (after trading hours), the Company entered into the Agreement with the Co-Promoters. Under the Agreement, subject to the conditions precedent set out therein, the Promoters intend to form the Joint Stock Company in Shanghai, which will be principally engaged in securities related business with full licences to be approved by the China Securities Regulatory Commission, the PRC.

Pursuant to the Agreement, the Company will own 10% shareholding in the Joint Stock Company and the capital contribution to be paid by the Company in cash will be RMB350,000,000 in total, to be financed by the Group's internal financial resources.

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Company's proposed investment in the Joint Stock Company pursuant to the Agreement is more than 5% but less than 25%, the proposed investment pursuant to the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements thereunder.

PROPOSED INVESTMENT IN SHANGHAI

The Board is pleased to announce that, on 21 September 2015 (after trading hours), the Company entered into the Agreement with the Co-Promoters. Under the Agreement, subject to the conditions precedent set out therein, the Promoters shall form the Joint Stock Company in Shanghai, which will be principally engaged in securities related business with full licences to be approved by the China Securities Regulatory Commission.

The principal terms of the Agreement are set out below.

PRINCIPAL TERMS OF THE AGREEMENT

- Date : 21 September 2015 (after trading hours).
- Promoters and their respective equity interests in the Joint Stock Company : (1) the Company (10%); and
(2) the Co-Promoters (90%) - the Co-Promoters consist of 15 investors, each will hold 10% or less of the equity of the Joint Stock Company.
- Proposed registered capital of the Joint Stock Company : RMB3,500,000,000 , representing 3,500,000,000 shares in the Joint Stock Company.
- Capital contribution by the Promoters : The Company and all the Co-Promoters in aggregate will contribute capital to the Joint Stock Company in proportion to their respective equity shareholdings in the Joint Stock Company in the amount of RMB350,000,000 (equivalent to 10% of the total capital contribution) and RMB3,150,000,000 (equivalent to 90% of the total capital contribution) respectively.
- Capital contribution term : 10% of the Promoters' capital contribution is payable by each Promoter in cash within 10 working days after signing the Agreement and the remaining 90% of the capital contribution is payable by each Promoter in cash within 10 working days after the date of approval granted by the China Securities Regulatory Commission and the Ministry of Commerce, the PRC, in respect of the formation of the Joint Stock Company.
- Principal business : The scope of securities related business with full licences is expected to cover: provision of securities brokerage services, securities underwriting and sponsor services, advising on securities investments, securities financing services, asset management, corporate finance advisory services, sale of investment funds, etc., subject to the approval by the China Securities Regulatory Commission. Target customers will be mass folk customers as well as corporate customers.

- Profit Sharing : The Promoters will be entitled to share the distributable profits of the Joint Stock Company in proportion to their respective equity shareholding in the Joint Stock Company.
- Form of incorporation of the Joint Stock Company : Foreign-funded joint stock company limited.
- Board of directors of the Joint Stock Company : The board of directors of the Joint Stock Company will consist of 15 directors. The Company intends to nominate one director to serve on the board of the Joint Stock Company so as to participate in the management thereof.
- Supervisory body of the Joint Stock Company : The supervisory body of the Joint Stock Company will consist of 2 shareholder representatives and 1 employee representative.
- Restrictive period for share transfer in the Joint Stock Company : Shares in the Joint Stock Company to be allotted and issued to the Promoters will not be transferable within 1 year from the date of incorporation of the Joint Stock Company.

The total amount of the registered capital of the Joint Stock Company, the respective capital contributions of the Promoters and the other terms of the Agreement are determined after arm's length negotiations between the Promoters.

Conditions precedent of the Agreement

The formation of the Joint Stock Company is subject to, among other matters, the approval by the China Securities Regulatory Commission, the Ministry of Commerce and other relevant regulatory authorities in the PRC.

In the event the above conditions have not been fulfilled within 12 months after the submission of the application to the China Securities Regulatory Commission, the Agreement shall cease and determine and all capital contributions previously paid by the Promoters shall be refunded to the Promoters after deduction of all costs and fees as have been incurred in connection with the formation of the Joint Stock Company.

INFORMATION ON THE PROMOTERS

The Company is one of the Promoters and is an investment holding company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange. The Company together with its subsidiaries is principally engaged in the business of investment in securities trading, money lending, property investment and investment holding. The Company intends to finance the payment of the Company's capital contribution in the sum of RMB350,000,000 to the Joint Stock Company by the Group's internal financial resources.

The Co-Promoters consist of 3 corporate investors in Hong Kong, 11 corporate investors and 1 partnership investor in the PRC. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Co-Promoters and their ultimate beneficial owners are third parties independent of the Company and its connected persons as defined under the Listing Rules.

REASONS FOR AND BENEFITS OF THE PROPOSED INVESTMENT IN THE JOINT STOCK COMPANY

The Group is principally engaged in the business of investment in securities trading, money lending, property investment and investment holding. For investment holding, the Group has held substantial shareholdings in investee companies carrying on business activities in the financial services industry with licences granted by the Securities and Futures Commission in Hong Kong. In view of the opportunities in the financial services industry, the Group has been developing businesses in this segment. As mentioned in the Company's interim results announcement in late August 2015, the Group is acquiring a company with a licence to carry on the business of dealing in securities and another company with licences to carry on the business of advising on securities and asset management in Hong Kong, pending the approval of Securities and Futures Commission in Hong Kong, so that the Group will directly carry on such kind of businesses. In addition, the Company now intends to make cross-border investments in the financial services industry in the PRC. The Board believes that the proposed investment in the Joint Stock Company (when materializes) will facilitate the Group's diversification and expansion of business development geographically. Having considered this factor, the Board considers that the terms of the Agreement and the proposed investment in the Joint Stock Company are in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Company's proposed investment in the Joint Stock Company is more than 5% but less than 25%, the proposed investment pursuant to the Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements thereunder.

As the conditions precedent under the Agreement for the proposed investment in the Joint Stock Company may or may not be fulfilled, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Agreement”	the Promoters' agreement dated 21 September 2015 entered into between the Company and the Co-Promoters, in relation to the formation of the Joint Stock Company;
“Board”	the board of directors of the Company;
“Company”	Mason Financial Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 273);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Co-Promoters”	3 corporate investors in Hong Kong, 11 corporate investors and 1 partnership investor in the PRC;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Joint Stock Company”	a foreign-funded joint stock company limited to be incorporated by the Promoters in the PRC under the name of “Shengang Securities Company Limited”;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Promoters”	the Company and the Co-Promoters;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent.

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

Hong Kong, 21 September 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
Mr. Frank H. Miu
Dr. Antonio Maria Santos