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MASON GROUP HOLDINGS LIMITED

茂宸集團控股有限公司

(Formerly known as Mason Financial Holdings Limited 民信金控有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock code: 273)

MAJOR TRANSACTION ACQUISITION OF THE HFG GROUP

THE SPA

On 7 September 2017 (after trading hours), the Vendor (an Independent Third Party) entered into the SPA with the Purchaser (a wholly owned subsidiary of the Company), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares at a total consideration of HK\$116,500,000 (subject to adjustment).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules for the Acquisition exceeds 25% but are less than 100%, the Acquisition contemplated under the SPA constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, further information in respect of the SPA and the Acquisition and other information as required by the Listing Rules, together with the notice convening the GM and the proxy form in respect of the GM will be despatched to the Shareholders on or before 3 November 2017 as additional time is required for preparing the information to be included in the circular.

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the Conditions. Therefore, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to the action they should take.

INTRODUCTION

On 7 September 2017 (after trading hours), the Vendor (an Independent Third Party) entered into the SPA with the Purchaser (a wholly owned subsidiary of the Company), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares at a total consideration of HK\$116,500,000 (subject to adjustment as described under the paragraph headed “Adjustment to the Consideration” below).

THE SPA

The major terms of the SPA are set out below:

Date: 7 September 2017 (after trading hours)

Parties: (a) Vendor: Ng Yuen Yee
(b) Purchaser: Mason Strategic Investment Company Limited, a wholly owned subsidiary of the Company

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

The Vendor has agreed to sell and procure to sell to the Purchaser at Completion (a) the entire issued share capital in HFG and Harris Fraser HK; and (b) all of the issued capital, held by the Vendor in the Macau Company, subject to and upon the terms and conditions of the SPA.

Deposit

The Purchaser shall pay to the Escrow Agent the Deposit forthwith upon receipt by it of one executed original of the Escrow Agreement, to be held and applied upon the terms and conditions contained in the Escrow Agreement, without limitation the following:

- (a) the Deposit will upon Completion represent part payment of such part of the Initial Consideration Payment (as defined in the paragraph headed “Consideration” below) and shall be paid to the Vendor upon Completion;
- (b) if Completion does not take place for reasons other than the Purchaser’s default or failure to perform its obligations under the SPA, the Deposit shall be returned to the Purchaser in full but without interest;
- (c) if Completion does not take place solely due to the Purchaser’s default or failure to perform its obligations under the SPA, the Deposit shall be paid over to the Vendor,

and the Vendor and the Purchaser agree to join in giving, as soon as the right of any of the parties to receive the Deposit as provided above shall have arisen, instructions in writing to the Escrow Agent instructing the release or payment of the Deposit to the person to whom it should be released or paid in accordance with the above.

Consideration

Subject to the adjustment as provided in the paragraph headed “Adjustment to the Consideration” below and the terms of the SPA, the aggregate consideration for the Sale Shares shall be HK\$116,500,000. The Consideration was determined by the parties after arm’s length negotiations taking into account, among other things, the financial performance, business growth and prospects of the HFG Group, the acquisition of a controlling stake of a well-established independent financial advisory services platform, and the synergies between the HFG Group and the Group to provide comprehensive health and wealth solutions services, with reference to the valuation report of the Target Companies using market approach prepared by an independent valuer.

The Consideration shall be paid by the Purchaser to the Vendor in the following manner:

- (a) upon Completion, the Purchaser shall pay and procure to pay to the Vendor HK\$81,550,000, being an amount equivalent to 70% of the Consideration (“**Initial Consideration Payment**”);
- (b) the remaining balance of the Consideration (subject to the adjustment as provided in the paragraph headed “Adjustment to the Consideration” below) shall be payable to the Vendors in two instalments:
 - (i) an amount equivalent to 15% of the Consideration, being HK\$17,475,000 (“**First Deferred Payment**”) shall be payable to the Vendor within fifteen (15) Business Days of the day on which the audited consolidated or combined financial accounts of the HFG Group in respect of FY2018 are available but in any event not later than 30 September 2018; and
 - (ii) an amount equivalent to the remaining 15% of the Consideration, being HK\$17,475,000 (“**Second Deferred Payment**”) subject to the adjustment as provided in the paragraph headed “Adjustment to the Consideration” below, shall be payable to the Vendor within fifteen (15) Business Days of the day on which the audited consolidated or combined financial accounts of the HFG Group in respect of FY2019 are available but in any event not later than 30 September 2019.

The Consideration will be satisfied by the net proceeds from the rights issue of the Company completed in February 2017. As disclosed in the prospectus of the Company dated 13 January 2017 in relation to the rights issue, the Group intended to acquire a controlling stake in a private bank and wealth management opportunity for an investment amount of approximately US\$90 million (equivalent to approximately HK\$700 million). As such investment opportunity has yet to materialize, the Company will utilize the proceeds reserved for such investment opportunity for the payment of the Consideration and other private bank and wealth management investment opportunities as and when they arise.

Adjustment to the Consideration

Provided that the Vendor not having exercised her right to repurchase the Sale Shares pursuant to the paragraph headed “Repurchase” below, the Consideration shall be adjusted as follows:

- (a) in the event that the aggregate net profit of the HFG Group (“**Aggregate Net Profit**”) for FY2019 based on the audited consolidated or combined financial accounts of the HFG Group in respect of that Financial Year is less than HK\$7.5 million (“**Guaranteed Profits**”), the Consideration shall be adjusted downward in accordance with the following formula:

$$\text{Adjusted Amount for FY2019} = \frac{(\text{Guaranteed Profits} - \text{Aggregate Net Profit in the relevant Financial Year})}{15} \times 15$$

- (b) the adjusted amount for FY2019 (if any) shall be deducted from the Second Deferred Payment provided that if the adjusted amount for FY2019 (“**Adjusted Amount**”) is greater than the Second Deferred Payment (the difference between the Adjusted Amount and the Second Deferred Payment being referred to as “**2019 Shortfall**”), the Vendor shall pay to the Purchaser a sum representing the 2019 Shortfall.

Profit sharing arrangement

The following profit-sharing arrangement in respect of the Aggregate Net Profit for FY2018 (based on the audited consolidated or combined financial accounts of the HFG Group for FY2018) will be implemented:

- (a) the Vendor shall be entitled to a sum equivalent to such part of the Aggregate Net Profit for FY2018 in proportion to the number of calendar days during the period as from 1 April 2017 to the day immediately before the Completion Date in FY2018; and
- (b) the Purchaser shall be entitled to a sum equivalent to such part of the Aggregate Net Profit for FY2018 in proportion to the number of calendar days during the period as from the Completion Date in FY2018 to 31 March 2018.

Payment above shall be made within thirty (30) days of the provision of the audited consolidated or combined financial accounts of the HFG Group for FY2018 by the Purchaser to the Vendor.

The Vendor shall be entitled to a profit-sharing payment under the following circumstances:

- (a) in the event the Aggregate Net Profit for FY2019 exceeds HK\$9,000,000 but is less than HK\$11,250,000 (i.e. where such Aggregate Net Profit exceeds the Guaranteed Profits by 20% and below 50%), the Purchaser shall pay to the Vendor a cash payment equivalent to 40% of the amount of such part of the Aggregate Net Profit for FY2019 in excess of HK\$9,000,000 (“**Initial Sum**”); and

- (b) in the event the Aggregate Net Profit for FY2019 is or exceeds HK\$11,250,000 (i.e. where such Aggregate Net Profit exceeds the Guaranteed Profits by over 50%), the Purchaser shall pay to the Vendor a cash payment equivalent to the consummation of (i) the Initial Sum and (ii) a sum equivalent to 50% of the amount in excess of HK\$11,250,000,

such payment shall be payable by the Purchaser to the Vendor within thirty (30) days of the provision of the audited consolidated or combined financial accounts of the HFG Group for FY2019.

Special Dividend

The parties to the SPA agree that a special dividend in the amount set out below will be declared by the relevant Target Companies to the Vendor immediately prior to Completion, and paid to the Vendor, subject to and on terms of the following:

- (a) the sum of the special dividend shall be no less than HK\$20,000,000 and no more than HK\$25,000,000;
- (b) the sum of the special dividend shall be determined on the premise that the HFG Group shall continue to maintain a sustainable net asset value (“NAV”) of HK\$10,000,000 immediately after declaration (but before payment) of the special dividend;
- (c) the special dividend declared shall be paid to the Vendor as follows:
- (i) the Purchaser shall determine the amount of the special dividend payable to the Vendor immediately prior to Completion, and such amount shall be no more than HK\$20,000,000. In determining such amount, the Purchaser shall be satisfied that the HFG Group shall maintain a sustainable Net Working Capital of HK\$10,000,000 after such payment. In the event the resulting Net Working Capital of the HFG Group is less than HK\$10,000,000, the amount of special dividend payable immediately prior to Completion shall be reduced accordingly so that the HFG Group’s sustainable Net Working Capital will be no less than HK\$10,000,000;
- (ii) any special dividend declared but not paid before Completion (if any) shall be paid to the Vendor in 2018 (or later at a subsequent year end) as and when, in the reasonable opinion of the Purchaser, the HFG Group will be able to maintain a sustainable Net Working Capital of HK\$10,000,000 after pay-out; and
- (d) the Target Companies shall not pay any dividends to the Purchaser unless and until the whole of the special dividend is fully paid to the Vendor except for purposes as described under the paragraph headed “Profit sharing arrangement” above.

Repurchase

If the Aggregate Net Profit for FY2019 (based on the audited consolidated or combined financial accounts of the HFG Group in respect of FY2019) is HK\$2,250,000 or less (being 30% of the Guaranteed Profits), the Vendor shall be entitled to repurchase the Sale Shares at a price equivalent to consummation of (i) Consideration; (ii) all additional follow-on capital

contribution on shareholders' loan to the HFG Group; and (iii) all fees incurred by the Purchaser in relation to the transactions contemplated hereunder (including, without limitation, attorneys' fees and accountants' fees) plus an interest of 5% per annum on items (i) to (iii) above.

Conditions

Completion is conditional on the following conditions ("**Conditions**") being satisfied, or waived by the Purchaser, on or before the Condition Deadline:

- (a) all of the issued capital in the Macau Company held by Harris Fraser Taiwan (being quota of MOP11,100, i.e. 11.1% of the total quotas issued) having been transferred to HFG ("**Pre-Completion Restructuring**") and that: (i) all pre-emption rights in relation to such Pre-Completion Restructuring having been waived with evidence confirming the same furnished to the Purchaser; (ii) all approvals and/or filings or registration in relation to such transfer as may be required by the relevant authority having been obtained; and (iii) all disclosures or notification of such Pre-Completion Restructuring as required under applicable laws having been made to the relevant authority in compliance with applicable laws;
- (b) there has not been any material adverse change in respect of any Target Companies from the date of the SPA to the date on which the last of the Conditions has been satisfied;
- (c) the Vendor's warranties remaining true and accurate in all material respects and not misleading in any material respect immediately prior to Completion by reference to the facts and circumstances subsisting immediately prior to Completion;
- (d) there is no outstanding indebtedness owed by a Target Company to any other Target Company and/or the Vendor (including their affiliates);
- (e) all necessary approvals in respect of the transactions contemplated under the SPA, including all relevant consents and approvals from the Target Companies and any third parties as which are necessary in conjunction with the proposed direct or indirect change in shareholding of the Target Companies, having been obtained and such approvals not being revoked, withdrawn or modified at any time before Completion;
- (f) at all times on and prior to the Completion Date, each Target Company shall have such number of responsible officer, licensed representative and/or registered officeholder as may be required under applicable laws to carry on any Regulated Activities. Without limitation to the foregoing, to the extent that the Vendor and Lau Tuen Mui are the responsible officers, licensed representatives and/or registered officeholders of any Target Company, the Vendor and Lau Tuen Mui shall remain as the responsible officers, licensed representatives and/or registered officeholders of such Target Company at all times on and prior to the Completion Date, including, without limitation, that the Vendor and Lau Tuen Mui shall remain as the responsible officers (as defined under the SFO) of Harris Fraser International (who are duly approved or licensed by the SFC as such in relation to the SFC Regulated Activities) to carry on the SFC Regulated Activities of Harris Fraser International;

- (g) each of the Key Management Persons shall have duly entered into valid employment contracts with relevant Target Company;
- (h) the waiver of any pre-emption or similar rights in relation to the sale of the Sale Shares, whether under its articles of association or otherwise, having been obtained;
- (i) all records in the company books (including, without limitation, statutory registers) of the Target Companies having been rectified and written up-to-date to the satisfaction of the Purchaser;
- (j) the SFC having approved in writing (if such approval is subject to any conditions laid by the SFC, the Vendor must agree to such conditions) all the persons who/which will be deemed by the SFC to be the substantial shareholders (as defined in the SFO) of Harris Fraser International after Completion (“**SFC Approval**”); and
- (k) all necessary board and shareholders’ approval of the Purchaser and the Company in respect of the transactions contemplated under the SPA as required under the Listing Rules having been obtained and all disclosure requirements in connection therewith having been complied with.

The Vendor shall use best endeavours to satisfy the Conditions under paragraphs (a) to (i) above, as soon as reasonably practicable after signing of the SPA and in any event before the Condition Deadline. The Purchaser shall use best endeavours to satisfy the Conditions under paragraphs (j) to (k) above as soon as reasonably practicable after signing of the SPA and in any event before the Condition Deadline.

If any Condition has not been satisfied on or before the Condition Deadline, then the Purchaser may on that date, at its option (but without prejudice to any other right or remedy it may have), by notice to the Vendor: (a) waive the Condition(s) then unsatisfied; or (b) postpone the Condition Deadline to a date (being a Business Day) as agreed by the Purchaser and the Vendor, provided that where the Condition which has not been satisfied on or before the Condition Deadline is the receipt of approval from the relevant authority (including the SFC Approval) under paragraphs (e) and (j) above, the parties shall negotiate in good faith a period for the postponement of the Condition Deadline to facilitate completion of the transactions contemplated therein.

In any event, if any Condition has not been satisfied on or before the last date of the 12th month from the date of signing of the SPA, then any party is entitled to, but without prejudice to any other right or remedy the parties may have, by notice to the other party terminate the SPA.

The Vendor agrees and shall procure that Harris Fraser Taiwan shall agree, that:

- (a) the Purchaser and the Target Companies shall transfer and assign all rights in and to the trade mark in the name of Harris Fraser Taiwan and all other trade marks owned by Harris Fraser Taiwan bearing the words “Harris Fraser” or “HF” and the Harris Fraser logo (if any) to the Purchaser and/or its nominee with effect from the Completion Date;
- (b) the assignment referred to in paragraph (a) above shall be executed by the Vendor and Harris Fraser Taiwan and delivered to the Purchaser at Completion;

- (c) the Vendor and Harris Fraser Taiwan shall provide all necessary assistance to the Purchaser to complete all filings and/or registrations pertaining to the assignment contemplated above; and
- (d) with effect from Completion, she and/or her affiliates shall (i) cease to use the trade mark, trade name, logo or other intellectual property referred to in paragraph (a) to (c); (ii) take all necessary actions for the purpose of (i) above including without limitation altering the names of any affiliates; and (iii) refrain from representing that she and/or her affiliates are in any manner connected or related to the HFG Group and its trade mark or trade name other than in the capacity of employee(s) of the HFG Group.

Completion

The SPA shall be completed on a date within fifteen (15) Business Days as agreed by the Vendor and the Purchaser after the notification of the satisfaction of the last Condition, or such date as may be agreed between the Vendor and the Purchaser, and in any event if the Vendor and the Purchaser fail to reach an agreement, on the 30th Business Day after the notification of the satisfaction of the last Condition.

Non-compete and non-solicit restrictions

For the purpose of assuring to the Purchaser the full benefit of the business and goodwill of the HFG Group, the Vendor agrees and undertakes with the Purchaser (for its benefit and as trustee for the HFG Group) that for a period of three years following Completion, she will not and will procure that each of her affiliates will not, either on her/its own account or in conjunction with or on behalf of any other person, firm or company, directly or indirectly:

- (a) carry on or be engaged, concerned or interested whether as shareholder, director, employee, partner, agent, with or in any activities which have the object or effect of selling, distributing or providing or allowing the selling, distribution or provision of any products or services similar to or in competition with such products or services provided by any member of the HFG Group, or otherwise in carrying on any business in directly competition with the business of the HFG Group as carried on by the HFG Group at the date of the SPA in a territory in which that business is carried on at that date;
- (b) solicit or entice away or attempt to solicit or entice away from any member of the HFG Group any person who is or shall at any time within two years prior to Completion have been a customer, client, identified prospective customer or client of any member of the HFG Group or in the habit of dealing with the HFG Group; or
- (c) engage, employ or solicit for employment any person who is or shall at any time within two years prior to Completion have been an employee, officer, manager, consultant or agent or any member of the HFG Group.

The above restriction shall not operate to prohibit the Vendor (together with her affiliates) from holding in aggregate up to 10% of the shares or equitable interest of any competing company.

INFORMATION ABOUT THE HFG GROUP

The HFG Group is principally engaged in the provision of wealth management services, including asset management, corporate and trust services, investment savings plans, tax planning, life and general insurance, mandatory provident fund advisory and overseas property investments advisory. Among the companies within the HFG Group, Harris Fraser International is licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO in Hong Kong; Harris Fraser HK and HF Partners Limited are members of the PIBA and are also registered as Mandatory Provident Fund (“MPF”) Intermediaries; and Macau Company is registered with Macau Monetary Authority and holds insurance and investment-linked products licenses.

With a Pan-Asian wide footprint since 1990 and good reputation for its services, the HFG Group has expanded its global network with a well-established operation in Hong Kong for the past quarter-century. The HFG Group supported by many proficient and dedicated investment personnel services more than 14,000 clients in Asia Pacific.

Set out below is a summary of the financial information of the HFG Group for the two years ended 31 March 2016 and 31 March 2017 according to the unaudited combined management accounts of the HFG Group prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 31 March 2016 (unaudited) <i>Approximately HK\$'000</i>	For the year ended 31 March 2017 (unaudited) <i>Approximately HK\$'000</i>
Profit (before tax)	1,676	8,188
Profit (after tax)	1,670	7,692

The book value of the net assets (unaudited) of the HFG Group as at 31 March 2017 prepared in accordance with Hong Kong Financial Reporting Standards was approximately HK\$26,900,000.

REASONS FOR THE ACQUISITION

The Group is a health and wealth solutions service conglomerate. It 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 engaged in the health care and mother-infant-child care related business. Capitalising on its existing big healthcare financial services platform, the Company continues to develop its business into direct investment, provision of wealth management complimenting the securities and fund management business.

The HFG Group is a well-established wealth management company with long history and its services include asset management, corporate and trust services, investment savings plans, tax planning, life and general insurance and MPF advisory and overseas property investments advisory. It has many proficient and dedicated investment personnel services more than 14,000 clients in Asia Pacific.

After the acquisition of the HFG Group, the HFG Group's competitive advantage in the insurance brokerage business will become an important complement to the Group's wealth management business and will benefit the overall development of the Group. Together with the Group's existing financial business, the Group will be able to provide comprehensive solutions to address the customers' wealth management needs, including amongst others, independent financial advisory, deposits, trust, investment, asset management and allocations and insurance. Through the HFG Group's independent financial advisor ("IFA") network, the Group can rapidly expand the customer base of wealth management services.

In addition, the Group will get access to the high-net-worth clients of the HFG Group to cross-sell its financial and healthcare products. In the short term, the HFG Group's IFA network can be connected with the high-net-worth customers of the Group's healthcare and mother-infant-child care related business.

Having considered the reasons for and benefits of the Acquisition as mentioned above, the Directors consider the Acquisition has been entered into on normal commercial terms and that the terms of the SPA are fair and reasonable and the entering into of the SPA is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules for the Acquisition exceeds 25% but are less than 100%, the Acquisition contemplated under the SPA constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A GM will be convened by the Company to consider and, if thought fit, approve SPA and the Acquisition. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders nor any of their respective associates have any material interest in the Acquisition. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Acquisition at the GM.

A circular containing, among other things, further information in respect of the SPA and the Acquisition and other information as required by the Listing Rules, together with the notice convening the GM and the proxy form in respect of the GM, will be despatched to the Shareholders on or before 3 November 2017 as additional time is required for preparing the information to be included in the circular.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD NOTE THAT COMPLETION IS SUBJECT TO THE SATISFACTION OF THE CONDITIONS. THEREFORE, THE ACQUISITION MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN SECURITIES OF THE COMPANY, AND ARE RECOMMENDED TO CONSULT THEIR PROFESSIONAL ADVISERS IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION AND AS TO THE ACTION THEY SHOULD TAKE.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares pursuant to the terms and conditions of the SPA
“Board”	the board of directors of the Company
“Business Day(s)”	a day (excluding Saturdays) on which commercial banks are generally open for banking business in Hong Kong
“Company”	Mason Group Holdings Limited (formerly known as 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
“Completion Date”	the date which Completion occurs
“Condition(s)”	the condition(s) set out in paragraph headed “Conditions” above
“Condition Deadline”	the last date of the 6th month from the date of signing of the SPA (“ Initial Deadline ”) or if the Conditions provided under paragraph (j) is not satisfied by the Initial Deadline, the last date of the 12th month from the date of signing the SPA; or any later date as may be postponed pursuant to the provisions of the SPA
“Consideration”	HK\$116,500,000, subject to the adjustment as set out in the paragraph headed “Adjustment to the Consideration” above
“Director(s)”	the director(s) of the Company
“Deposit”	a sum of HK\$10,000,000
“Escrow Agent”	Chan & Young, the Vendor’s solicitors

“Escrow Agreement”	the agreement to be entered into among the Vendor, the Purchaser and the Escrow Agent in respect of the Deposit
“FY” or “Financial Year”	a financial year of the HFG Group ending on 31 March (for illustrative purpose, “FY2018” means the financial year from 1 April 2017 to 31 March 2018 and “FY2019” means the financial year from 1 April 2018 to 31 March 2019)
“GM”	the general meeting of the Company to be convened and held for the Shareholders to consider and approve, among other things, the SPA and the Acquisition
“Group”	the Company and its subsidiaries
“Harris Fraser HK”	Harris Fraser (Hong Kong) Limited, a company incorporated in Hong Kong, owned as to 100% by the Vendor as at the date of this announcement
“Harris Fraser International”	Harris Fraser (International) Limited, being a wholly owned subsidiary of HFG, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Harris Fraser Taiwan”	Harris Fraser (Taiwan) Limited, a private limited company incorporated in British Virgin Islands, owned as to 100% by the Vendor as at the date of this announcement
“HFG”	Harris Fraser Group Limited, a company incorporated in the British Virgin Islands, owned as to 100% by the Vendor as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	party independent of the Company and connected persons of the Company
“Key Management Persons”	the Vendor and Lau Tuen Mui
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China

“Macau Company”	Halena Co. Ltd, a limited liability company by quotas incorporated in Macau, owned as to approximately 22.3% by the Vendor as at the date of this announcement
“Net Working Capital”	means the sum of cash, bank deposits, commissions receivables, other current receivables and a deposit of £160,000 placed with a united kingdom counsel (“ UK Deposit ”) (if refunded to the HFG Group prior to Completion), less the sum of commissions payable, other payables, other current liabilities and accrued expenses of the HFG Group. In the event the UK Deposit is not refunded to the HFG Group prior to Completion, such UK Deposit shall not be included as part of the Net Working Capital
“percentage ratios”	as defined in the Listing Rules
“Purchaser”	Mason Strategic Investment Company Limited, an indirect wholly owned subsidiary of the Company
“Regulated Activities”	the SFC regulated activities and any other regulated activities which any Target Company carries out or is permitted to carry out by relevant authority in the relevant jurisdictions, including, without limitation, the Hong Kong Professional Insurance Broker Association, the Hong Kong Mandatory Provident Fund Authority and the Macau Monetary Authority
“Sale Share(s)”	(i) the entire issued share capital in HFG and Harris Fraser HK; and (ii) all of the issued share capital held by the Vendor in the Macau Company (being quota in the amount of MOP22,300)
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“SPA”	the sale and purchase agreement entered into by the Purchaser and the Vendor on 7 September 2017
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Companies”, collectively, the “HFG Group”	HFG, the subsidiaries of HFG, Harris Fraser HK and the Macau Company, and a “Target Company” shall mean any one of them
“Vendor”	Ng Yuen Yee
“%”	per cent

By order of the Board
Mason Group Holdings Limited
Ko Po Ming
Joint Chairman and Chief Executive Officer

Hong Kong, 7 September 2017

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

Ms. Lui Choi Yiu, Angela

Ms. Fu Yau Ching Shirley

Non-executive Directors:

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

Ms. Hui Mei Mei, Carol

Independent Non-executive Directors:

Mr. Tian Ren Can

Ms. Kan Lai Kuen, Alice

Mr. Chen Wai Chung Edmund