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MASON GROUP HOLDINGS LIMITED

茂宸集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 273)

DISCLOSEABLE TRANSACTION SUPPLEMENTAL DEED IN RELATION TO EXTENSION OF THE LOAN

Reference is made to the 2016 Announcement in relation to the Facility Agreement entered into between the Lender, an indirect wholly-owned subsidiary of the Company and 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.

The Board is pleased to announce that on 24 January 2019 (after trading hours), the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Company-1, PRC Company-2, the German Company and the US Company entered into the Supplemental Deed which governs, among other things, the further extension of the Loan for the Further Extension Period with retrospective effect from the Extended Repayment Date subject to the terms and conditions of the Supplemental Deed.

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the entering into the Supplemental Deed constitutes a variation to the terms of the transaction previously announced under the 2016 Announcement.

The Board is pleased to announce that on 24 January 2019 (after trading hours), the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Company-1, PRC Company-2, the German Company and the US Company entered into the Supplemental Deed which governs, among other things, the further extension of the Loan for the Further Extension Period with retrospective effect from the Extended Repayment Date subject to the terms and conditions of the Supplemental Deed.

THE SUPPLEMENTAL DEED

Date

24 January 2019

Parties to the Supplemental Deed

- (a) the Lender;
- (b) the Borrower;
- (c) the Guarantor;
- (d) PRC Individual-1;
- (e) PRC Individual-2;
- (f) PRC Company-1;
- (g) PRC Company-2;
- (h) German Company; and
- (i) US Company.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the parties to the Supplemental Deed (other than the Lender) and (where applicable) its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

Term

The term of the Loan shall be extended with retrospective effect from the Extended Repayment Date to the Further Extended Repayment Date.

Interest rate and interest payment

The interest rate is set at 10% 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 the Loan during the Further Extension Period shall be for a period of approximately one month (unless otherwise agreed by the Lender) with the next Interest Period commencing on the day following the last day of the preceding Interest Period. The first Interest Period shall start on the Extended Repayment Date. The Borrower shall pay accrued interest on the Loan on the last day of each Interest Period during the Further Extension Period.

Security and guarantee

The Loan is secured by:

- (a) charge executed by the Borrower to which the Borrower agreed to charge by way of first legal charge all the Charged Assets-1 in favour of the Lender. During the term of the Loan, the Charged Assets-1 shall be maintained at no less than 50% of the entire number of issued shares in the Listco;
- (b) charge executed by the Personal Chargor to which the Personal Chargor agreed to charge by way of first legal charge all the Charged Assets-2 in favour of the Lender;
- (c) floating charge executed by the Borrower to which the Borrower agreed to charge by way of first floating charge in favour of the Lender the undertaking and all present and future property, assets, receivables, inventory and rights of the Borrower;
- (d) personal guarantee executed by the Guarantor in favour of the Lender;
- (e) personal guarantee executed by the PRC Individual-1 in favour of the Lender;
- (f) personal guarantee executed by the PRC Individual-2 in favour of the Lender;
- (g) corporate guarantee executed by the PRC Company-1 in favour of the Lender;
- (h) corporate guarantee executed by the PRC Company-2 in favour of the Lender;
- (i) share pledge executed by the Guarantor in respect of the entire membership interests in the US Company;
- (j) mortgage executed by the Guarantor in respect of a real property located in the U.S.A.;
- (k) mortgage executed by the US Company in respect of real properties located in the U.S.A.; and
- (l) land charge to be executed by the German Company in respect of real properties located in Germany.

Repayment

The Borrower made prepayment and repayment of the principal sum of the Loan of HK\$25,000,000 as of the date of this announcement.

Pursuant to the Supplemental Deed, the Borrower shall repay HK\$5,000,000 of the principal amount of the Loan and all unpaid interest accrued thereon on the last day of each of the first five Interest Periods during the Further Extension Period, and the entire aggregate outstanding principal of the Loan, together with all unpaid interest accrued thereon, shall be repaid in full on the Further Extended Repayment Date.

As at the date of this announcement, the outstanding principal sum of the Loan is HK\$255,000,000.

INFORMATION ON THE GROUP AND THE LENDER

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, provision of securities margin financing, provision of investment and corporate finance advisory services, investment in securities trading, money lending and investment holding. The Group also invests in healthcare and mother-infant-child related businesses. The Group aims to build a world-class “health + wealth” ecosystem with integrated healthcare and financial platforms.

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 PARTIES TO THE SUPPLEMENTAL DEED

The Borrower is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

The Guarantor is an individual who is a resident in the PRC and the sole ultimate beneficial owner of the Borrower.

PRC Individual-1 is an individual who is a resident in the PRC.

PRC Individual-2 is an individual who is a resident in the PRC.

PRC Company-1 is a company established under the laws of the PRC which is indirectly owned as to 85% by the PRC Individual-1.

PRC Company-2 is a company established under the laws of the PRC which is directly owned as to 50% by the Guarantor.

US Company is a company incorporated in the U.S.A. which is directly owned as to 100% by the Guarantor.

German Company is a company incorporated in Germany which is directly owned as to 70% by the Guarantor.

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL DEED

The terms of the Supplemental Deed were agreed by the parties after arm’s length negotiations having taken into account prevailing market rates and practices.

The extension of the Loan will bring in interest income for the Further Extension Period to the Company. Taking into consideration the increase in interest rate of approximately 3% per annum payable on the Loan for the Further Extension Period (compared to the original interest rate under the Facility Agreement) and the provision of additional security and guarantee, the executive Directors consider that the extension of the Loan will result in a

reasonable and stable income and interest return to the Group. The executive Directors believe that the terms of the Loan 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

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the entering into the Supplemental Deed constitutes a variation to the terms of the transactions previously announced under the 2016 Announcement.

DEFINITIONS

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

“2016 Announcement”	the announcement of the Company dated 4 November 2016 in relation to discloseable transaction constituted under the provision of loan facility
“Board”	the board of Directors of the Company
“Borrower”	a company incorporated in the British Virgin Islands with limited liability and is directly wholly-owned by the Guarantor
“Charged Assets-1”	436,540,400 issued shares in the Listco
“Charged Assets-2”	8,802,000 issued shares in the Listco
“Company”	Mason Group 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
“Extended Repayment Date”	6 November 2018
“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, as amended and supplemented by various supplemental deeds dated 6 November 2017, 7 February 2018 and 3 May 2018 respectively and the Supplemental Deed

“Further Extended Repayment Date”	6 May 2019
“Further Extension Period”	the further extension period of 6 months commencing from the day after the Extended Repayment Date
“Germany”	Federal Republic of Germany
“German Company”	a company incorporated in Germany which is directly owned as to 70% by the Guarantor
“Group”	the Company and its subsidiaries
“Guarantor”	an individual who is a resident in the PRC and the sole shareholder of the Borrower
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Interest Period”	as to the Further Extension Period, a period of approximately one month (unless otherwise agreed by the Lender), which shall not be extended beyond the Further Extended Repayment Date
“Lender”	Mason Resources Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listco”	a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan made under the Facility or the principal amount outstanding for the time being of that loan
“Personal Chargor”	an individual who is a resident in the PRC
“PRC”	the People’s Republic of China
“PRC Company-1”	a company established under the laws of the PRC which is indirectly owned as to 85% by the PRC Individual-1
“PRC Company-2”	a company established under the laws of the PRC which is directly owned as to 50% by the Guarantor
“PRC Individual-1”	an individual who is a resident in the PRC

“PRC Individual-2”	an individual who is a resident in the PRC
“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
“Supplemental Deed”	the supplemental deed entered into by the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Company-1, PRC Company-2, the German Company and the US Company on 24 January 2019 (after trading hours) in relation to the Facility Agreement
“U.S.A.”	the United States of America
“US Company”	a company incorporated in the U.S.A. which is directly owned as to 100% by the Guarantor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Mason Group Holdings Limited
KO Po Ming
Chairman & Chief Executive Officer

Hong Kong, 24 January 2019

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Ko Po Ming (*Chairman and Chief Executive Officer*)

Mr. Chang Tat Joel

Ms. Lui Choi Yiu, Angela

Ms. Fu Yau Ching, Shirley

Mr. Cao Lu

Non-executive Director:

Ms. Hui Mei Mei, Carol

Independent Non-executive Directors:

Mr. Tian Ren Can

Ms. Kan Lai Kuen, Alice

Mr. Chen Wai Chung, Edmund

Mr. Wang Cong