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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)

**VERY SUBSTANTIAL DISPOSAL
AND
CONNECTED TRANSACTION
DISPOSAL OF SALE SHARES IN AYD GROUP LIMITED
TO SENIOR MANAGEMENT OF AYD GROUP LIMITED
AND
GUARANTEES TO CONNECTED PERSONS**

DISPOSAL

The Company announces that on 22 May 2019 (after trading hours), Pioneer Leap, Sino Ease and AYD entered into the SPA, pursuant to which, among other things, Sino Ease agreed to purchase from Pioneer Leap and Pioneer Leap agreed to sell to Sino Ease the Sale Shares for a consideration of HK\$10,024,001.10. Upon completion of the Disposal, Pioneer Leap will hold 46.2% of the issued capital of AYD. As a condition precedent to the Disposal, AYD will declare 100% of its distributable profits for the financial years ended 31 December 2017 and 2018 respectively, and will undertake to declare 100% of its distributable profits for the financial year ending 31 December 2019 to its shareholders.

DECONSOLIDATION

After the Disposal, Pioneer Leap will have the right to appoint two out of seven directors of the board of AYD. As Pioneer Leap will hold less than 50% of the issued capital of AYD and will no longer have the right to appoint the majority of the board of AYD, AYD will cease to be a subsidiary of the Company.

OTHER INFORMATION — GUARANTEES TO CONNECTED PERSONS

The Company also announces that the Company has previously entered into agreements to provide certain parent guarantees for bank loan facilities granted to AYD and its wholly-owned subsidiaries (the “**Guarantees**”), for their working capital requirements until AYD has been successfully listed. The maximum aggregate amount of the Guarantees is RMB110 million (approximately HK\$129 million). After the deconsolidation of AYD, a guarantee fee will be charged at 1.5% per annum of the drawdown amount.

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal are 75% or more, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules. Furthermore, as each of Sino Ease, Cosmicfield and Golden Metro is a connected person of the Company at the subsidiary level, the Disposal also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders’ approval requirements.

The Independent Board Committee has been established to advise the Shareholders in respect of the Disposal and the transactions contemplated thereunder. The Company will in due course appoint an independent financial adviser to advise the Independent Board Committee and the Shareholders in this regard.

After the Disposal, AYD and its subsidiaries will cease to become subsidiaries of the Company. Pursuant to Chapter 14A of the Listing Rules, the directors of AYD for the past 12 months are the connected persons of the Company under the Listing Rules. Mr. Yip is a connected person of the Company at a subsidiary level after the deconsolidation of AYD. Accordingly, the Guarantees (i.e. financial assistance to connected persons at the subsidiary level of the Group) constitute connected transactions of the Company. Since all of the applicable percentage ratios of the Guarantees are less than 5%, the Guarantees are connected transactions exempted under Rule 14A.76(2)(a) of the Listing Rules and are exempted from the circular, independent financial advice and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The General Meeting will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Shareholders to consider and, if thought fit, to approve the SPA, the Amendment Agreement and the transactions contemplated therein.

A circular containing, among other things, further information relating to the SPA, the Amendment Agreement, AYD, the financial information of the Group, the financial information of AYD Group, a letter from the Independent Board Committee to the Shareholders, a letter of advice from the independent financial adviser to the Independent Board Committee and the Shareholders in relation to the Disposal and the transactions contemplated thereunder, a notice convening the General Meeting and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 13 June 2019.

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the Conditions Precedent, including the approval of the SPA, the Amendment Agreement and the transactions contemplated thereon by the Shareholders at the General Meeting. As the Transaction is subject to various conditions which may or may not be fulfilled, accordingly the Transaction may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

THE DISPOSAL

Set out below is a summary of the principal terms and conditions of the SPA and the Amendment Agreement and the transactions contemplated therein:

SPA

Date

22 May 2019 (after trading hours)

Parties

- (a) Pioneer Leap, as vendor;
- (b) Sino Ease, as purchaser; and
- (c) AYD, as target company.

Disposal

Sino Ease agreed to purchase from Pioneer Leap and Pioneer Leap agreed to sell to Sino Ease the Sale Shares.

Purchase price

The Purchase Price shall be HK\$10,024,001.10.

The Purchase Price was arrived at after arm's length commercial negotiations between the Parties. The Purchase Price was determined with reference to (i) the historical financial performance of AYD, (ii) the valuation based on the EV/EBITDA multiples of the trailing 12-month EBITDA of AYD and the average EV/EBITDA of eight comparable companies engaged in infant's apparel, infant food, baby-care products and/or toys related businesses listed on major stock markets including Hong Kong and the US ranging from 5.5x to 13.5x, further adjusted by cash, total debts and assumed dividends payable, as well as the applicable valuation discount and premium by independent valuer; and (iii) business outlook of AYD.

Dividend to be received from the Transaction together with the Purchase Price allows the Company to generate an attractive gain from the Transaction and allows the Group to focus on its "Health + Wealth" strategy. After the Transaction, the AYD Management will obtain control of AYD and be further incentivised to grow the business and to also facilitate the potential divestment of the Group's remaining interest in AYD. The better alignment of interest with the AYD Management and potential future positive operating and financial performance of AYD will attract interests of potential buyers for the divestment.

The executive Directors believe that benefits of and the return from the Disposal is not limited to the Purchase Price. As the AYD Management becomes incentivised by the opportunity to be seen having control of AYD, it is expected that better alignment of interests between AYD and the AYD Management will lead to stronger operational and financial performance of AYD's business which in turn will increase the valuation of AYD and create better opportunities for the Company to maximise its return if and when it further divests its interest in AYD. Further, the executive Directors believe that a team of incentivized AYD Management would be more willing to facilitate due diligence processes of future potential purchasers of Pioneer Leap's interest in AYD and Pioneer Leap's divestment from AYD.

Terms of payment

The Purchase Price shall be payable by Sino Ease to Pioneer Leap by wire transfer of the Purchase Price to Pioneer Leap's designated bank account at Closing.

Conditions precedent

Closing is conditional upon the following Conditions Precedent being satisfied:

- (a) Each Party shall fulfil its respective obligations at Closing if the following Conditions Precedent are satisfied:
 - (i) AYD having declared 100% of its distributable profits for the financial years ended 31 December 2017 and 31 December 2018 respectively, and having undertaken to declare 100% of its distributable profits for the financial year ending 31 December 2019;

- (ii) there being no law prohibiting or restricting the Disposal (including the obligations to be satisfied by each Party upon Closing);
- (b) Pioneer Leap shall fulfil its obligations at Closing if the following Conditions Precedent are satisfied (or, to the extent permitted by law (including the Listing Rules), as waived in whole or in part by Pioneer Leap):
 - (i) the warranties given by Sino Ease and AYD in the SPA are true and accurate at signing and Closing;
 - (ii) compliance with all agreements, obligations and conditions according to the SPA by Sino Ease and AYD in all material aspects;
 - (iii) consents and waivers being given by shareholders of the Company prior to Closing, including but not limited to, approving the entry into of the SPA and other transaction documents (including, but not be limited to, the Amendment Agreement);
 - (iv) approvals and other requirements required to be obtained pursuant to relevant requirements under the Listing Rules (including the Company's Shareholders' approval) being obtained prior to Closing and continue to be valid at Closing;
- (c) Sino Ease shall fulfil its obligations at Closing if the following Conditions Precedent are satisfied (or, to the extent permitted by law (including the Listing Rules), as waived in whole or in part by Sino Ease):
 - (i) the warranties given by Pioneer Leap and AYD in the SPA are true and accurate at signing and Closing; and
 - (ii) compliance with all agreements, obligations and conditions according to the SPA by Pioneer Leap and AYD in all material aspects.

The Parties shall use their best endeavours to procure the satisfaction of all of the Conditions Precedent set out above. In addition, AYD shall use its best endeavour to assist Pioneer Leap and the Company in complying with the Listing Rules, including but not limited to the signing and delivery of transaction documents, preparing notices and announcements, as well as obtaining the approvals and other requirements as referred to in paragraph (b)(iv) above. To the Directors' best knowledge, as of the date of this announcement, the Parties do not have any intention to waive any of the Conditions Precedent set out above.

Distribution of Profits

It is a condition precedent to the SPA that AYD declares 100% of its distributable profits for the financial years ended 31 December 2017 and 2018 and undertakes to declare 100% of its distributable profits for the financial year ending 31 December 2019. The amount of distributable profits of AYD for the financial years ended 31 December 2017 and 31 December 2018 are approximately HK\$138,849,000 and HK\$154,260,000 respectively according to the unaudited financial statements of AYD (on a consolidated basis) and no material change is anticipated on the amounts of such distributable profits. Accordingly,

AYD will declare (i) in respect of the financial year ended 31 December 2017, dividends in the amount of approximately HK\$76,367,000 to Pioneer Leap, HK\$26,270,000 to Cosmicfield and HK\$36,212,000 to Golden Metro based on the shareholding of AYD as at 31 December 2017; and (ii) in respect of the financial year ended 31 December 2018, dividends in the amount of approximately HK\$72,363,000 to Pioneer Leap, HK\$41,666,000 to Cosmicfield and HK\$40,231,000 to Golden Metro based on the shareholding of AYD as at 31 December 2018. The dividends to be declared for the financial year ending 31 December 2019 will be allocated to the shareholders based on the shareholding of AYD as at 31 December 2019. The final distributable profits will be concluded by the audited financial statements. Dividends will be distributed subject to approvals by relevant tax and foreign exchange regulatory authorities. It may take time to obtain such relevant approvals. However, there is a high likelihood for these approvals to be granted due to the nature of the Transaction and if all necessary supporting documents are submitted with the relevant approval applications.

All distributable profits declared and payable shall be paid by AYD within five (5) years following the declaration of such distributable profits or immediately following an initial public offering or any sale of all or substantially all of AYD's assets, whichever is earlier.

The executive Directors are of the view that by allowing AYD up to five years to pay all declared dividends, AYD will have better cashflow to sustain the growth of its business and increase its value to shareholders. It is in the best interest of the Company to encourage AYD and the AYD Management to focus on building a successful business which is attractive to potential new investors. The Company believes that this strategy will accelerate AYD's initial public offering or sale of all or substantially all of AYD's assets and will maximize the Company's return on its investment. The Company also expects that the declared dividends will be paid by AYD at a time earlier than five years.

The Company considered that Pioneer Leap will have certain rights in respect of AYD as highlighted in the section headed "Reserved Matters", which will allow it to monitor AYD's financial performance (among other matters) going forward. Having considered AYD's historical performance, current financial position and business strategy, the Company is confident that AYD has and will continue to have the ability and resources to pay its distributable profits declared. If AYD does not pay the distributable profits declared, the Company will exercise such legal rights as are available to it, such as under corporate law and/or the articles of association of AYD, against AYD for the payment.

Reference is made to the Loan Agreement (as amended by the Supplementary Loan Agreement) (as defined in the Second Announcement) and the share charges described under the section headed "Share Charges" in the First Announcement (as amended from time to time, and together with the Loan Agreement, the "**Loan Documents**"). Pursuant to the Loan Documents, any dividends on or with respect to the charged securities shall be paid to Pioneer Leap and shall be applied by Pioneer Leap in discharge of the Loan. Hence, the dividends attributable to Cosmicfield and Golden Metro pursuant to the arrangements in the above paragraph will be paid to Pioneer Leap and applied in discharge of the Loan. According to the audited accounts of the Company, the outstanding Loan (including principal and interest) as at 31 December 2018 was HK\$180,923,000. The outstanding Loan is expected to be repaid by the dividends attributable to Cosmicfield and Golden Metro. If the outstanding Loan is not fully repaid by the maturity date, the Company will decide at

that time, in consideration of all relevant circumstances, what action(s) it will take in the best interests of it and its shareholders. Upon full repayment of the Loan, the Share Charges (as defined in the First Announcement) will be released in respect of the Loan, and Golden Metro and Cosmicfield will be entitled to receive and retain all subsequent dividends from AYD attributable to their respective shareholding.

Closing

Closing is to take place in Hong Kong on the next Business Day after all Conditions Precedent have been satisfied or waived by the respective Parties (except for the Conditions Precedent that by nature have to be satisfied or waived on the day of Closing), or at any other time and place agreed in writing by the Parties.

The SPA does not stipulate a long stop date. The Parties are committed to use every effort to complete the Disposal and do not consider it necessary to include a long stop date.

Amendment Agreement

In accordance with the terms of the SPA, the parties to the Shareholders Agreement shall enter into the Amendment Agreement at Closing to amend and supplement the Shareholders Agreement. The principle terms of the Shareholders Agreement were set out in the section headed “The Shareholders Agreement” of the First Announcement and the section headed “AYD Call Option and AYD Put Option” in the Second Announcement. The Company became a party to the Shareholders Agreement on 30 June 2018 by entering into the Supplementary Shareholders Agreement. The primary reasons for the Company becoming a party under the Supplementary Shareholders Agreement were (i) to acknowledge and agree to the Proposed Spin-off (as defined in the Second Announcement), and (ii) to agree to provide certain guarantees in support of bank loan facilities granted to AYD and its subsidiaries. Please refer to the section headed “OTHER INFORMATION — GUARANTEES TO CONNECTED PERSONS” of this announcement for further information on guarantees. Except for the above, the Company has not assumed any additional obligation in the Amendment Agreement.

Under the Amendment Agreement, the Shareholders Agreement will be amended to reflect the following.

- Parties:
- (a) Pioneer Leap;
 - (b) Golden Metro;
 - (c) Cosmicfield;
 - (d) the Company;
 - (e) Sino Ease; and
 - (f) AYD.

Board of directors: The maximum number of directors of the board of AYD in office shall be seven (7). Pioneer Leap shall have the right to appoint and maintain in office and remove and replace (with or without cause) two (2) natural persons as directors (the “**Mason Directors**”) and Golden Metro, Cosmicfield and Sino Ease shall together have the right to appoint and maintain in office and remove and replace (with or without cause) five (5) natural persons as directors.

The chairman shall be a director appointed by Golden Metro, Cosmicfield and Sino Ease.

Management: Before AYD completes a Qualified IPO, Golden Metro, Cosmicfield and Sino Ease shall have the right to appoint Mr. Yip as the chief executive officer and AYD’s chief executive officer shall have the right to appoint and maintain in office and remove and replace (with or without cause) any senior officer of AYD Group (including, but not limited to, the vice presidents, chief operating officer, chief financial officer and senior financial and accounting staff of AYD Group). If Mr. Yip voluntarily resigns as AYD’s chief executive officer, Golden Metro, Cosmicfield and Sino Ease shall have the right to appoint AYD’s chief executive officer.

Reserved matters: (a) The following actions shall be determined exclusively by shareholders holding 75% or more of the then issued share capital of AYD:

- (i) making or agreeing to make any change to the authorised or issued share capital or registered capital (as the case may be) from time to time of any member of AYD Group or granting any option over or interest in, or issuing any instrument carrying rights of conversion into, any other security or share of any member of AYD Group or redeeming or purchasing any of its own shares or effecting any other re-organisation of its share capital or registered capital (as the case may be); and
- (ii) varying, modifying or abrogating any of the rights attaching to any of the shares of any member of AYD Group.

- (b) Each of the shareholders and AYD shall procure that no action or decision is taken directly or indirectly (including by amendment, modification, merger, consolidation or in any other manner) by any member of AYD Group in relation to the following matters without board approval, including, the prior approval in writing of at least one (1) Mason Director:
- (i) together with any creditor of any member of AYD Group, moving for insolvency, dissolution, receivership or administration or doing or permitting or suffering to be done any act or thing whereby any member of AYD Group may be wound up (whether voluntarily or compulsorily), save as otherwise expressly provided for in the Shareholders Agreement;
 - (ii) making any change in any member of AYD Group's primary business, or conducting any new business that is not related to the primary business;
 - (iii) amending, changing or revoking any provision in the certificate of incorporation, articles of association or equivalent constitutional documents of any member of AYD Group, save for (A) any update to AYD's register of members to reflect a new shareholder admitted in accordance with the terms of the Shareholders Agreement and (B) any amendment to the scope of business in the constitutional documents provided that it does not contravene the above paragraph b(ii);
 - (iv) save for any approved investment plan and financial budget, disposing of any material asset with a value of RMB20,000,000 or above in (A) a single transaction or in aggregate in any financial year (including but not limited to any sale, transfer, gift, abandonment, rental, lease, or create any security interests including any mortgage, pledge or lien); or (B) any direct or indirect sale of the business;
 - (v) conducting any direct or indirect equity financing or accepting any offer for subscription for any new security based on a valuation of the equity of AYD that is lower than the greater of RMB1,200,000,000 and the valuation of the equity of AYD in the most recent financing (including equity and non-equity financing);
 - (vi) save for any wholly-owned subsidiary or branch established for the operation of the primary business, making any investment or acquisition that (A) is not within the scope of AYD's investment policy approved by the board or (B) is within the scope of AYD's investment policy approved by the board and with a value of RMB20,000,000 or above in a single transaction or in aggregate in any financial year;

- (vii) increasing or decreasing the size of the board of AYD;
- (viii) changing the auditor who prepares the audit of consolidated financial statements of AYD, except that this does not apply to the change of AYD's auditor immediately prior to AYD's Qualified IPO, provided that, the new auditor of AYD must be a Big Four accounting firm (i.e., one of PricewaterhouseCoopers, Ernst & Young, Deloitte and KPMG);
- (ix) save for the provision of financing to and guarantees for new franchise stores in accordance with AYD's current policy relating to receivables and operations, no member of AYD Group shall:
 - (A) make any loan or lend in any manner to any person that might constitute a connected person of AYD under the Listing Rules in an amount of RMB1,000,000 or above in a single loan or in aggregate in any financial year;
 - (B) enter into or become a party to any transaction with any person that might constitute a connected person of AYD under the Listing Rules with a value of RMB1,000,000 or above in a single transaction or in aggregate in any financial year that might constitute a connected transaction under the Listing Rules;
 - (C) provide any guarantee for any indebtedness of any person that might constitute a connected person of AYD under the Listing Rules in an amount exceeding RMB1,000,000 in a single transaction; and
- (x) disposing, transferring, licensing technology or intellectual property of any member of AYD Group, or creating any security interests (such as mortgage, pledge or lien), rights of first refusal, options, trust arrangements, or other third-party restrictions on ownership that has similar effects, except for when licensing in the ordinary course of business or creating any security interests (such as mortgage, pledge or lien), rights of first refusal, options, trust arrangements, or other third-party restrictions on ownership that have similar effects to secure any member of AYD Group's repayment of outstanding amount of loans from a commercial bank in the ordinary course of business.

In other words, the board and shareholders decisions for reserved matters can only be made with the agreement of Pioneer Leap. The Company, through Pioneer Leap, can exercise its veto rights to ensure the Company has oversight over key decisions and transactions of AYD, and safeguard the interests of the Company in AYD.

Transfer of shares: *Right of First Refusal*

If Pioneer Leap proposes to transfer shares of AYD to any third party, Cosmicfield, Golden Metro, Sino Ease and AYD will collectively have the right to purchase all (but not a portion of) such shares on terms and conditions not less favourable than the terms and conditions of the proposed transfer to independent third parties. The transfer will be subject to the Company's compliance with the applicable Listing Rules requirements.

The Company considers that granting AYD a right of first refusal is beneficial to Pioneer Leap as AYD will be a readily available buyer if Pioneer Leap proposes to transfer shares of AYD to any third party. Depending on circumstances at the time, AYD may decide to reduce its share capital through cancelling its repurchased shares (if any).

Under the memorandum and articles of association of AYD, shares that AYD purchases may be cancelled or held as treasury shares, except to the extent that such shares are in excess of 50% of the issued shares of AYD, in which case they shall be cancelled.

Co-Sale Rights

If any of Cosmicfield, Golden Metro or Sino Ease proposes to transfer any share of AYD to any third party, Pioneer Leap will have the right to participate in the proposed transfer on the same terms and conditions on a pro rata basis.

Other than the terms as amended by the Amendment Agreement, all other material terms under the Shareholders Agreement will remain effective (including the provisions of the Supplementary Shareholders Agreement as disclosed in the Second Announcement).

Completion of the transfer of the Bonus Shares (as defined in the Second Announcement) took place on 5 July 2018 and upon such transfer, Pioneer Leap and Cosmicfield became holders of 46.91% and 27.01% of AYD, respectively. The parties to the Subscription Agreement as disclosed in the Second Announcement have been striving to close the transaction under the Subscription Agreement. After rounds of negotiation, the First Investor, Sino Ease, is investing in AYD by purchasing the Sale Shares from Pioneer Leap and the Second Investor has decided not to participate in the Disposal. Sino Ease and the Second Investor has on the date of the SPA by notice in writing to AYD terminated the Subscription Agreement. No parties to the Subscription Agreement has paid any penalty in this respect as there are no relevant penalty terms under the Subscription Agreement. Upon

such termination, the parties to the Subscription Agreement have no further rights or obligations thereunder, whether accrued or incurred before or after such termination. Neither Sino Ease nor the Second Investor has paid any sums to AYD under the Subscription Agreement.

Based on the information provided by AYD, Sino Ease and the Second Investor have not been direct shareholders of AYD prior to the Disposal. Sino Ease is owned by the AYD Management who is interested in increasing its stake and control of AYD. The AYD Management has been seeking for opportunities to increase their stake and control in AYD, for example, through their borrowing of the Loan in 2016 and their entering into the Subscription Agreement in 2018. Therefore, Sino Ease, who was the First Investor under the Subscription Agreement, entered into the SPA to purchase the Sale Shares. The Second Investor is Star Capital Partners Limited, a company incorporated in the British Virgin Islands. Its ultimate beneficial owner, Mr. Au Ngai Daniel, is also the ultimate beneficial owner of approximately 9.43% economic interest of AYD as at the date of this announcement. The Second Investor has no arrangement with the existing shareholders of AYD and the First Investor in respect of the shareholding in AYD except mentioned above. Save as disclosed in this announcement, the Company does not have any arrangements, written or otherwise, express or implied, with Mr. Au Ngai Daniel.

INFORMATION ABOUT AYD GROUP

AYD is a company incorporated in the British Virgin Islands with limited liability. Its indirect wholly-owned subsidiary, Zhuhai AYD, is the franchisor of a leading franchise in mother-infant-children products retail business in Southern China and Eastern China with a regional network of over 1,200 franchised and direct-sale stores and over 6,700 partnership stores.

A summary of the unaudited financial information of AYD (on a consolidated basis) for the financial years ended 31 December 2017 and 2018 is set out below:

	For the year ended 31 December 2018 HK\$'000	For the year ended 31 December 2017 HK\$'000
Profit before taxation	208,241	184,700
Profit after taxation	154,260	138,849

The unaudited consolidated net assets of AYD as at 31 December 2018 amounted to approximately HK\$287,146,000, with total assets and liabilities of approximately HK\$940,890,000 and HK\$653,744,000, respectively.

As at the date of this announcement, the Company through Pioneer Leap indirectly holds 46.91% of the issued capital of AYD and has the right to appoint a majority of the board of directors of AYD. As such, AYD is a subsidiary of the Company. Upon Closing, the Company will indirectly own 46.2% of the issued capital in AYD and Pioneer Leap will no longer have the right to appoint the majority of the board of AYD. As a result, AYD will cease to be a subsidiary of the Company and its financial statements will not be consolidated into the Group. AYD will then become an associate of the Company, and the financial results of AYD will be equity accounted for in the Group's consolidated financial statements. The Company will record (i) 46.2% of income and other comprehensive income from AYD in the consolidated statement of comprehensive income, and (ii) the fair value of AYD assessed by an independent valuer upon Completion in the consolidated statement of financial position as the Company's interests in associates. Upon Closing, the shareholding structure of AYD will be as follows:

	As at the date of this Announcement		Immediate after Closing	
	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>
Pioneer Leap	4,691	46.91%	4,620	46.20%
Cosmicfield	2,701	27.01%	2,701	27.01%
Golden Metro	2,608	26.08%	2,608	26.08%
Sino Ease	—	—	71	0.71%
	<u>10,000</u>	<u>100.00%</u>	<u>10,000</u>	<u>100.00%</u>

INFORMATION ABOUT THE GROUP AND THE OTHER PARTIES TO THE DISPOSAL

The Group

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 pursues an “investment business model” by making direct investments in the healthcare sector.

Pioneer Leap

Pioneer Leap is a company incorporated in Samoa with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Sino Ease

Sino Ease is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. Sino Ease holds 48.7% of the issued share capital of Golden Metro, a substantial shareholder of AYD and is owned by the AYD Management. As such, Sino Ease is a connected person of the Company at the subsidiary level.

As at the date of this announcement, according to the information provided by the shareholders of AYD, the shareholding structure of Sino Ease is as follows:

	Approximate percentage of shareholding (%)
Mr. Yip	57.10
Mr. Ye Fadian	15.70
Mr. Ye Fachao	15.70
Ms. Gao Qin	<u>11.50</u>
	<u><u>100.00</u></u>

Cosmicfield

Cosmicfield is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. Cosmicfield holds 27.01% of the issued share capital of AYD and is majority owned by the AYD Management. As Cosmicfield is a substantial shareholder of AYD, Cosmicfield is a connected person of the Company at the subsidiary level.

As at the date of this announcement, according to the information provided by the other shareholders of AYD, the shareholding structure of Cosmicfield is as follows:

	Approximate percentage of shareholding (%)
Power Partners GP Limited	31.29
Mr. Yip	26.71
Mr. Ye Fadian	14.00
Mr. Ye Fachao	14.00
Ms. Gao Qin	<u>14.00</u>
	<u><u>100.00</u></u>

According to the information provided by the other shareholders of AYD, Power Partners GP Limited is a company incorporated in the British Virgin Islands. It is a wholly-owned subsidiary of the Second Investor, which is wholly-owned by Mr. Au Ngai Daniel. There is no arrangement between Power Partners GP Limited and the Group in relation to the shareholding in AYD Group.

Golden Metro

Golden Metro is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. Golden Metro holds 26.08% of the issued capital of AYD and is owned as to 48.7% by Sino Ease, which is owned by the AYD Management in the proportion mentioned above. As Golden Metro is a substantial shareholder of AYD, Golden Metro is a connected person of the Company at the subsidiary level.

As at the date of this announcement, according to the information provided by the other shareholders of AYD, the shareholding structure of Golden Metro is as follows:

	Approximate percentage of shareholding (%)
Sino Ease Ventures Ltd	48.70
Ally Legend Ventures Ltd	19.89
Glorious Investments Ltd	11.93
Right Tone Venture Ltd	11.28
ShangYu Investments Ltd	8.20
	<hr/>
	100.00
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According to the information provided by the other shareholders of AYD, Glorious Investments Ltd and ShangYu Investments Ltd are wholly-owned by Mr. Liang Baotian. Ally Legend Ventures Ltd is wholly-owned by Mr. Lin Han. Right Tone Venture Ltd is equally-owned by Mr. Au Ngai Daniel and two independent third parties to AYD Management and the Company.

The Company has been informed by Cosmicfield and Golden Metro that Cosmicfield is proposing to transfer 397 shares in AYD to Golden Metro.

According to the information provided by Sino Ease, Cosmicfield and Golden Metro and to the Directors' knowledge, (i) Mr. Yip, Mr. Ye Faduan and Mr. Ye Fachao are brothers; (ii) Mr. Liang Baotian is a distant relative of Mr. Yip's wife; (iii) Cosmicfield, Golden Metro and Sino Ease are connected persons of the Company at the subsidiary level, and save as otherwise disclosed in this announcement Sino Ease, Cosmicfield and Golden Metro and their ultimate beneficial owners are not otherwise related to each other and are third parties independent of the Company and of the Company's connected persons.

Save as disclosed in this Announcement, to the best knowledge of the Directors, there is currently no other arrangements relating to the shareholding of AYD.

REASONS FOR THE DISPOSAL AND FINANCIAL IMPLICATIONS THEREOF

The Group pursues an “investment business model” by investing in business sectors that align with its overall strategy. It also aims at realizing value of its investments through trade sales, mergers and acquisitions and initial public offerings to create returns for its shareholders. Accordingly the Company is constantly exploring new investment and divestment opportunities with an objective of achieving the best use of its resources and improving its portfolio.

The Group is aiming at building a “Health + Wealth” ecosystem with integrated healthcare and financial platforms to provide wealth and health solutions to its clients. There is strong demand for high quality healthcare services in the Asia Pacific region and the Group actively develops strategic investment opportunities in the healthcare services sector in the region, including the participation in an investment consortium to acquire controlling interest in Genea Limited (“**Genea**”), a leading assisted reproductive service and technology player in Australia as well as investing in a health check centre providing medical and physical check-ups in Hong Kong.

As the Group focuses its efforts in strategic investments in support of the Group’s vision of becoming a world-class conglomerate offering “Health + Wealth” solutions, the Group plans to progressively exit from its mother-infant-child consumer investments, which will become less prominent to the Company’s business. The Company will decide as to whether to retain or dispose of the holding companies related to franchising and retailing of mother-infant-child products when and if the divestment opportunities in line with the business strategy to gradually exit the mother-infant-child consumer investments arise. Save for AYD Put Option (as defined in the Second Announcement) and cash, such holding companies do not hold any businesses or operations related to franchising and retailing of mother-infant-child products. Save for AYD Group, the Company does not own any other business or assets related to franchising and retailing of mother-infant-child products. The Company announced the disposal of its entire interest in Blend and Pack Pty. Ltd. (“**B&P**”) (please refer to the relevant announcements of the Company dated 8 February 2019, 22 February 2019, 12 April 2019 and 9 May 2019) and is expecting to complete such disposal on or before 30 June 2019. The sale of B&P is the first step of such progressive exit and the Disposal is the second step.

Before the completion of the Disposal, the Company, through Pioneer Leap, already holds less than 50% of the issued capital of AYD and has delegated the day-to-day operation of AYD to the AYD Management whilst monitoring and only participating in the management of AYD mainly at the board level through exercise of Pioneer Leap’s control of the board and through control measures as disclosed in the First Announcement including but not limited to approval of budget and appointment of the chief financial officer of AYD. The AYD Management has been supervising the operation of AYD since Pioneer Leap became a shareholder of AYD. The Company believes that by giving the AYD Management control of the board of directors of AYD, the AYD Management will be incentivized to grow the business and generate better returns for AYD shareholders. It is expected that the Transaction will facilitate additional financing and exit opportunities for the Group. Meanwhile, the reserved matters as disclosed in the section headed “THE DISPOSAL — Amendment Agreement — Reserved Matters” of this announcement sufficiently safeguard

the Group's interest as a minority shareholder of AYD. Pioneer Leap will continue monitoring AYD's performance through its directors appointed to the board of AYD and by exercising its rights under Reserved Matters if necessary.

Reference is made to the First Announcement which disclosed, among others, that a cash or share bonus would be payable to Cosmicfield if the consolidated net profit attributable to equity holders of AYD for the year ending 31 December 2018 (“**2018 Attributable Profit**”) is more than RMB126 million. However, as disclosed in the Second Announcement, such arrangement was amended such that if the 2018 Attributable Profit is more than RMB120 million, only a cash amount of RMB5 million will be payable under the Supplementary Shareholders Agreement. The Company renegotiated the arrangement due to the fact that AYD significantly overperformed in terms of its audited net profit in 2017 and a sizable share bonus with an aggregate value of approximately HK\$127 million was rewarded by Pioneer Leap to the AYD Management under the relevant arrangement disclosed in the First Announcement. Based on the unaudited financial results of AYD for the year ended 31 December 2018, AYD achieved a net profit of approximately RMB132 million (equivalent to approximately HK\$154 million) and a cash or share bonus of approximately RMB25 million would have been payable if the arrangement disclosed in the First Announcement were still in place. Under the amended arrangement disclosed in the Second Announcement, only RMB5 million is payable.

The executive Directors considers that the terms of SPA, the Amendment Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Further, the executive Directors consider the Transaction to be in line with the business strategy change of the Company and will free up the management of the Company's time to develop its “Health + Wealth” strategy.

Other than as disclosed above, the Company and its Board currently have no intention, arrangement, agreement, understanding, negotiation (concluded or otherwise) on (i) any disposal, termination or scaling-down of the Company's remaining businesses; (ii) injection of any new business to the Group; (iii) any change in the Company's shareholding structure; and (iv) any change in the Company's management.

No Director has a material interest in the above-mentioned transaction and no Director was required to be abstained from voting on the board resolutions to approve the abovementioned transaction.

PRINCIPAL BUSINESS OF THE GROUP AFTER THE DISPOSAL

After the Disposal, the principal business of the Group will comprise of the following:

Financial Services Business

The Group has been in the money lending business for a substantial period of time and has expanded this line of business to cover leveraged and acquisition financing and provision of mortgage loan and securitization. Since 2015, the Group has expanded its financial services business through acquisitions of companies which specialize in dealing in securities, advising on securities, provision of securities margin financing, provision of investment and corporate finance advisory services, commodities broking and asset management.

The Group also acquired its asset and wealth management businesses in June 2016 and added Harris Fraser Group Limited, Harris Fraser (Hong Kong) Limited and Halena Co. Ltd (the “**HFG Group**”) to its asset and wealth management platform in May 2018. In addition, the Group started providing private banking services to clients through Raiffeisen Privatbank Liechtenstein AG (“**RPL**”) acquired by the Group in March 2018. Further, trading of securities is one of the Group’s long-standing businesses.

Healthcare Business

The Group achieved two milestones in 2018 by creating a comprehensive in vitro fertilization (“**IVF**”) and biotechnology platforms to capitalize on the growth potential of the market of assisted reproductive services in Asia:

- (i) In June 2018, the Group merged its subsidiary, Reproductive Healthcare Group Limited with the newly acquired The HK Women’s Clinic Group Limited to form the Reproductive Healthcare Group (“**RHG**”).
- (ii) In December 2018, the Group invested in Genea, through a consortium, a global leading fertility group offering a comprehensive range of assisted reproductive services and innovative technologies in assisted reproduction.

Valuable synergy is expected to be generated from RHG and Genea to realize the Company’s vision of creating an Asian hub for the best and most advanced IVF services.

In addition, the Group invested in Pangenica Inc., a genetic diagnostic and advisory services in 2017 and a health check centre in Hong Kong in 2019.

Prospect

The Group will continue to develop its business based on the two-pronged development strategy of “Health + Wealth” by:

- (i) further developing and investing in the healthcare ecosystem to cater for growing demand of premium medical and preventive services relating to women’s health and fertility from local Hong Kong market and medical tourists from Mainland China;
- (ii) further integrating business of RPL and the HFG Group into the Group’s existing financial services platform to become a comprehensive financial service and product development platform to service the growing wealth management demand in Asia; and
- (iii) promoting cross selling activities between the Group’s financial services and healthcare businesses and seeking to create synergies between two potentially overlapping clienteles. The Group strongly believes that its wealth management clients are always looking for high quality medical services.

For the financial services business, the integration of the Group’s various synergetic financial service businesses has been on-going, especially on the acquisition of talents, improving the Group’s IT and client record management systems to better serve existing and potential customers while further strengthening its risk management and internal control systems, all of which are imperative to sustainably develop and expand the Group’s financial service platform and grow its asset under management.

Further, the HFG Group is establishing its new wealth management team with mass affluent individuals as target clients. Together with its existing sales force, HFG Group has begun to do more cross selling with other members of the Group. These include introducing clients to the Group's brokerage team, referring clients to RPL, and distribution of fund management products. HFG Group has also started cross selling health services products to its clients.

Meanwhile RPL is on-boarding a growing number of Asian clients introduced by other members of the Group. There is also a project to link up RPL with the Group's brokerage business in Hong Kong.

The business integration is an ongoing process and it has progressed in a satisfactory manner. With the current momentum, the executive Directors expect better integration and increasing cross selling activities among different businesses of the Group in the coming months.

For the healthcare business, while the Group is always actively considering acquisition and/or consolidation opportunities, the Group is also focusing on further building necessary channels to service growing demand for high quality medical services from medical tourists from Mainland China. To this end, the Group has established collaboration with insurance companies and health management organisations with the goal of promoting its high quality medical and genetic testing services in Hong Kong and Mainland China. In April 2019, the Group also invested in a health check centre in Hong Kong to provide comprehensive body check service to both local customers and medical tourists. It is expected that the health check centre will be able to channel patients for the Group's other healthcare services.

As at 31 December 2018, the Group has a total equity of approximately HK\$6,802 million (including non-controlling interests of approximately HK\$640 million), in which bank deposits and cash of the Group were approximately HK\$2,814 million. Excluding equity and cash attributable to the "franchisor and retail of mother-infant-child products" relating to the Disposal, the estimated total equity and bank deposits and cash are approximately HK\$6,313 million and approximately HK\$2,691 million, respectively. The executive Directors believe the liquidity and capital resources of the Group are sufficient to support the on-going and long-term business development of both the Group's financial services and healthcare businesses. The Group will deploy its resources prudently to pace the development of both businesses with the goal to generate long term equity value for the Group's shareholders.

FINANCIAL IMPACT

The Company had a discussion with the auditors of the Group regarding the accounting treatment of AYD after the Disposal. After the Disposal, AYD will become an associate from a subsidiary of the Group and will be accounted for using the equity accounting method. According to relevant accounting standards, the Group is required to recognise its interest in AYD based on the valuation of AYD and derecognition of the net book value of AYD upon the Closing. Based on the preliminary valuation assessment, the fair value of our remaining 46.2% interest in AYD after the Disposal is estimated at HK\$647.7 million and the net book value of AYD after the distributable profits declared to be received by Pioneer Leap which is subject to a withholding tax will be HK\$348.7 million. After taking into account of the purchase price of HK\$10,024,001.10, it is estimated that the Group will recognise an unaudited gain on the Disposal upon the Closing of approximately HK\$309

million for the year ending 31 December 2019, including the net revaluation gain which amounts to HK\$304 million (which is non-cash in nature) and the gain from the Sale Shares of approximately HK\$5 million.

The Company had a preliminary discussion with the auditors of the Group and the actual gain or loss as a result of the Disposal to be recorded by the Company is subject to their review and will be assessed after the Closing. The Company currently does not expect any material change in the actual gain resulting from the Disposal.

USE OF PROCEEDS

The net proceeds from the Disposal after deducting related transaction costs and expenses are estimated to be approximately HK\$4 million.

The Group intends to apply (i) the net proceeds from the Disposal for working capital requirements of the Group; and (ii) the dividend income to be received in two to five years from AYD for working capital requirements and future investments of the Group.

OTHER INFORMATION — GUARANTEES TO CONNECTED PERSONS

The Company also announces that the Company has previously entered into agreements to provide certain parent guarantees for bank loan facilities granted to AYD and its subsidiaries (the “**Guarantees**”), for their working capital requirements until AYD is successfully listed. The maximum aggregate amount of the Guarantees is approximately RMB110 million (approximately HK\$129 million). After the deconsolidation of AYD, a guarantee fee will be charged at 1.5% per annum of the drawdown amount. The shareholders of AYD, including Mr. Yip, have been providing guarantees to secure certain bank loan facilities granted to AYD since the beginning of 2017. It is not uncommon for banks to request guarantees from one or more significant shareholders of a borrower as a condition for granting banking facilities to the borrower. Terms of the guarantees, including the guarantor and guarantee amount, are determined and requested by the relevant banks. Shareholders of AYD deemed important and resourceful by such banks are normally required to provide a guarantee. Given that the Company, through Pioneer Leap, will continue to be a significant shareholder of 46.2% of the issued capital of AYD after the Closing, the Company expects that banks granting bank loan facilities to AYD will continue to require the Guarantees from the Company. The Board believes it is in the interest of the Company to continue providing the Guarantees to ensure that AYD has sufficient working capital for its business operations. Any cancellation of or withdrawal from the Guarantees by the Group may lead to re-negotiations or even termination of the relevant bank loan facilities and may jeopardise the value of the Company’s investment and the Company’s future divestment opportunities in AYD. The executive Directors will continue to monitor and evaluate future guarantees that may be provided to AYD based on the Company’s equity position in AYD, the return generated from and risk exposure of such guarantees.

The guarantee fee was determined with reference to existing guarantee fees charged by the Company for similar guarantees it has provided to its independent third party clients. The guarantee fee was arrived at after arm’s length commercial negotiations between the Company and AYD. The executive Directors considers that in the circumstances that the 1.5% guarantee fee is fair and reasonable and in the interest of the Shareholders and the Company as a whole.

At the time of execution of the agreements relating to the Guarantees, AYD was a subsidiary of the Company. The provision of guarantee to a subsidiary does not constitute a transaction under Rule 14.04(e)(ii) of the Listing Rules and is not regarded as an advance to an entity under Rule 13.13 of the Listing Rules. The Company does not consider that the provision of the Guarantees to be material information requiring disclosure at the time of entering into the agreements relating to the Guarantees.

After the Disposal, AYD and its subsidiaries will cease to become subsidiaries of the Company. Pursuant to Chapter 14A of the Listing Rules, the directors of AYD for the past 12 months are the connected persons of the Company under the Listing Rules. Accordingly, companies controlled by such directors will be associates of such directors and will thereby be connected persons of the Company. Therefore, the Guarantees (i.e. financial assistance to connected persons at the subsidiary level of the Group) will constitute connected transactions of the Company. Mr. Yip is a connected person of the Company at a subsidiary level after the deconsolidation of AYD. Since all of the applicable percentage ratios of the Guarantees are less than 5%, the Guarantees are connected transactions exempted under Rule 14A.76(2)(a) of the Listing Rules and are exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will continue to monitor the financial assistance and guarantees to connected persons or affiliated companies of the Company in future, and will comply with any further disclosure requirements (if necessary) and the relevant continuing disclosure requirements under Chapters 13 and 14A of the Listing Rules for so long as the circumstances giving rise to such disclosure obligation continue to exist.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Guarantee are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the relevant applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal are 75% or more, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules. Furthermore, as each of Sino Ease, Cosmicfield and Golden Metro is a connected person of the Company at the subsidiary level, the Disposal also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements.

The Independent Board Committee has been established to advise the Shareholders in respect of the Disposal and the transactions contemplated thereunder. The Company will in due course appoint an independent financial adviser to advise the Independent Board Committee and the Shareholders in this regard.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder has an interest in the SPA which is materially different from other Shareholders. Accordingly, no Shareholder is required to abstain from voting on the resolutions to be proposed at the General Meeting.

GENERAL

The General Meeting will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Shareholders to consider and, if thought fit, to approve the SPA, the Amendment Agreement and the transactions contemplated thereon.

A circular containing, among other things, further information relating to the SPA, the Amendment Agreement, the financial information of the Group, the financial information of AYD Group, a letter from the Independent Board Committee to the Shareholders, a letter of advice from the independent financial adviser to the Independent Board Committee and the Shareholders in relation to the Disposal and the transactions contemplated thereunder, a notice convening the General Meeting and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 13 June 2019.

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the Conditions Precedent, including the approval of the SPA, the Amendment Agreement and the transactions contemplated thereon by the Shareholders at the General Meeting. As the Transaction is subject to various conditions which may or may not be fulfilled, accordingly the Transaction may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Amendment Agreement”	the supplemental shareholders agreement to be entered into between AYD, Pioneer Leap, Sino Ease, Golden Metro, Cosmicfield and the Company at Closing
“AYD”	AYD Group Limited 愛嬰島集團有限公司 (formerly known as Shining Time Holdings Limited), a company incorporated in the British Virgin Islands
“AYD Group”	AYD and its subsidiaries
“AYD Management”	collectively, Mr. Yip, Mr. Ye Faduan, Mr. Ye Fachao, Mr. Lin Han and Ms. Gao Qin
“Board”	the board of Directors
“Business Day”	means any day other than a Saturday, Sunday or day on which banks are required to be closed in Hong Kong or the People’s Republic of China (for the purposes of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Closing”	the completion of the Disposal in accordance with the terms and conditions of the SPA
“Company”	Mason Group Holdings Limited (Stock code: 273), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange
“Conditions Precedent”	the conditions precedent to Closing as set out in the SPA
“Cosmicfield”	Cosmicfield Investments Limited, a company incorporated in the British Virgin Islands
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the terms of the SPA and the Amendment Agreement
“First Announcement”	the announcement of the Company dated 30 December 2016
“General Meeting”	the general meeting of the Company to be convened and held to consider and, if thought fit, approve the SPA and the transactions contemplated thereon
“Golden Metro”	Golden Metro Investments Limited, a company incorporated in the British Virgin Islands

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company whose members comprises all the independent non-executive Directors to advise the Shareholders on the terms of the Disposal and the transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Yip”	Mr. Yip Shing Fung
“Party(ies)”	the parties to the SPA
“Pioneer Leap”	Pioneer Leap Investments Limited, a company incorporated in Samoa, and a indirect wholly-owned subsidiary of the Company
“Purchase Price”	the consideration payable by Sino Ease to Pioneer Leap for the purchase of the Sale Shares under the SPA
“Qualified IPO”	as defined in the Shareholders’ Agreement, “Qualified IPO” means the listing of AYD on the Stock Exchange whereby (i) the valuation of AYD immediately before the proposed listing is not less than HK\$833,280,000 (being twelve (12) times RMB62,000,000) with a compound annual growth rate of 20% starting from 1 January 2017; and (ii) the gross proceeds of the proposed listing shall be not less than HK\$248,640,000
“Sale Shares”	71 shares of AYD held by Pioneer Leap
“Second Announcement”	the announcement of the Company dated 30 June 2018
“Second Investor”	Star Capital Partners Limited, a company incorporated in the British Virgin Islands, as referred to in the Second Announcement
“Shareholders”	shareholders of the Company
“Shareholders Agreement”	the shareholders agreement dated 31 December 2016 between Pioneer Leap, Golden Metro, Cosmicfield and AYD in relation to AYD, as amended from time to time
“Shares”	the shares of the Company

“Sino Ease”	Sino Ease Ventures Limited, a company incorporated in the British Virgin Islands
“SPA”	the sale and purchase agreement in relation to the Sale Shares dated 22 May 2019 between Pioneer Leap, Sino Ease and AYD
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement dated 30 June 2018 between AYD, Sino Ease and the Second Investor
“Supplementary Shareholders Agreement”	the agreement as defined in the section headed “AYD Call Option and AYD Put Option” in the Second Announcement
“Transaction”	the Disposal, AYD’s declaration of dividends for the financial years ended 31 December 2017 and 2018, and AYD’s undertaking to declare dividends for the financial year ending 31 December 2019

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

Hong Kong, 22 May 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