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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 (i) 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; (ii) the January 2019 Announcement in relation to the Supplemental Deed-1 entered into among 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 under which the repayment date of the Loan was extended from the Extended Repayment Date to the Further Extended Repayment Date; (iii) the May 2019 Announcement in relation to the Supplemental Deed-2 entered into among the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, PRC Company-1, PRC Company-2, the German Company and the US Company under which the repayment date of the Loan was extended from the Further Extended Repayment Date to the Third Extended Repayment Date; (iv) the August 2019 Announcement in relation to the Supplemental Deed-3 entered into among the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, PRC Company-1, PRC Company-2, the German Company and the US Company under which the repayment date of the Loan was extended from the Third Extended Repayment Date to the Fourth Extended Repayment Date; (v) the April 2020 Announcement in relation to the Supplemental Deed-4 entered into among the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, PRC Company-1, PRC Company-2, the German Company and the US Company under which the repayment date of the Loan was extended from the Fourth Extended Repayment Date to the Fifth Extended Repayment Date; and (vi) the December 2020 Announcement in relation to the Supplemental Deed-5 entered into among the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, the Personal Chargor, PRC Company-1, PRC Company-2, the German Company and the US Company under which the repayment date of the Loan was extended from the Fifth Extended Repayment Date to the Sixth Extended Repayment Date.

The Board is pleased to announce that on 15 November 2022 (after trading hours), the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, the Personal Chargor, PRC Company-1, PRC Company-2, the German Company and the US Company entered into the Supplemental Deed-6 which governs, amongst others, the further extension of the Loan for the Seventh Extension Period with effect from the Sixth Extended Repayment Date to the Seventh Extended Repayment Date subject to the terms and conditions of the Supplemental Deed-6.

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules, as the entering into the Supplemental Deed-6 constitutes a variation to the terms of the transactions previously announced under the 2016 Announcement, the January 2019 Announcement, the May 2019 Announcement, the August 2019 Announcement, the April 2020 Announcement and the December 2020 Announcement.

The Board is pleased to announce that on 15 November 2022 (after trading hours), the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, the Personal Chargor, PRC Company-1, PRC Company-2, the German Company and the US Company entered into the Supplemental Deed-6 which governs, amongst others, the further extension of the Loan for the Seventh Extension Period with effect from the Sixth Extended Repayment Date to the Seventh Extended Repayment Date subject to the terms and conditions of the Supplemental Deed-6.

THE SUPPLEMENTAL DEED-6

Date

15 November 2022

Parties to the Supplemental Deed-6

- (a) the Lender;
- (b) the Borrower;
- (c) the Guarantor;
- (d) PRC Individual-1;
- (e) PRC Individual-2;
- (f) PRC Individual-3;
- (g) the Personal Chargor;
- (h) PRC Company-1;
- (i) PRC Company-2;
- (j) the German Company; and
- (k) the US Company.

Term

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

Repayment of loan principal

The outstanding principal amount of the Loans shall be repaid in monthly installments of HK\$1,000,000, with the first installment on 6 January 2023 and the last installment shall be repaid with the entire outstanding principal amount on the Seventh Extended Repayment Date.

The Borrower made various prepayments and repayments of the principal sum of the Loan totaling approximately HK\$161,124,637 as at the date of this announcement.

As at the date of this announcement, the outstanding principal sum of the Loan is approximately HK\$118,875,363.

The advance of the Loan under the Facility Agreement was funded by internal resources of the Group and the Loan under the Supplemental Deed-6 is, in substance, a refinancing of the outstanding principal sum of the Loan of approximately HK\$118,875,363.

Prepayment of loan principal

The Borrower may prepay the whole or any part of any Loan.

Interest rate and interest payment

The rate of interest on each Loan for each day in an Interest Period shall be determined based upon the aggregate principal amount of the Loans then outstanding and shall be the percentage rate per annum as set out in the table below:

| Loan principal (HK\$) | Interest rate |
|-----------------------------------|---|
| Above 80 million | 12.125% or 7.125% per annum on top of the PrimeRate quoted by HSBC (whichever is higher) |
| Equal to or lower than 80 million | 11.125% or 6.125% per annum on top of the Prime Rate quoted by HSBC (whichever is higher) |

The interest rates above were determined after arm's length negotiation between the Lender and the Borrower taking into account the prevailing market interest rates and practices.

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 (and any supplemental thereto) executed by the Guarantor in favour of the Lender;
- (e) personal guarantee (and any supplemental thereto) executed by the PRC Individual-1 in favour of the Lender;
- (f) personal guarantee (and any supplemental thereto) executed by the PRC Individual-2 in favour of the Lender;
- (g) personal guarantee (and any supplemental thereto) executed by the PRC Individual-3 in favour of the Lender;
- (h) corporate guarantee (and any supplemental thereto) executed by the PRC Company-1 in favour of the Lender;
- (i) corporate guarantee (and any supplemental thereto) executed by the PRC Company-2 in favour of the Lender;
- (j) share pledge executed by the Guarantor in respect of the entire membership interest in the US Company;
- (k) mortgage executed by the Guarantor in respect of a real property located in the U.S.A.;
- (l) mortgage executed by the US Company in respect of real properties located in the U.S.A.;
- (m) land charge executed by the German Company in respect of real properties located in Germany;
- (n) the security purpose agreement executed by the German Company and the Guarantor, which sets out the security purpose of the land charge executed by the German Company; and
- (o) two exclusive transfer agency agreements executed by the Guarantor in respect of appointing the PRC legal advisers to the Lender or any other person(s) designated by the Lender as the agent of the Guarantor for the transfer of two properties owned by the Guarantor located in the PRC.

The following table is a summary of all the securities provided for repayment of the Loan:

| Description and Nature of Security | Security Provider | Value (as at the date of this announcement) | Property Size | Property Usage |
|--|--------------------------|--|----------------------|-----------------------|
| Charged Assets-1 ^(Note) | Borrower | HK\$111,447,000 (based on the net asset value of the Listco as at 30 June 2022) | Not applicable | Not applicable |
| Charged Assets-2 ^(Note) | Personal Chargor | HK\$1,490,000 (based on the net asset value of the Listco as at 30 June 2022) | Not applicable | Not applicable |
| The real estate in Germany registered in the land register (Grundbuch) at Amtsgericht Ludwigslust (Local Court of Ludwigslust), land register of Damm sheet 183 consisting of the lots subdistrict (Gemarkung) Damm 2 land parcels (Flurstücke) 77/2, 77/3, 77/4, 77/5, 77/7, 77/9, 77/ 10, 77/12, 77/13, 77/14, 77/15, 77/19, 76/6, 76/11, 76/13, 76/14, 76/16, 76/ 17, 76/19, 76/28 and 76/ 29 | German Company | EUR1,500,000 (equivalent to approximately HK\$12,045,000) | 9,031 square metres | Residence |
| The real estate in USA at 13 Lake Street, Auburn, Maine 04210 (charged by Guarantor), 67 Minot Avenue, Auburn, Maine 04210 and 1 Minot Avenue, Auburn, Maine 04210 (charged by the US Company) | Guarantor and US Company | USD6,015,104 (equivalent to approximately HK\$47,219,000) | 18,000 square metres | Commercial Property |

Note: The Charged Assets-1 and the Charged Assets-2 represent 50.11% and 0.67% of shareholding interest in the Listco (namely, Ta Yang Group Holdings Limited (Stock Code 1991)).

Assessments have been made for all individual guarantors (being the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, all individuals of high net-worth with real property assets in Hong Kong and/or the PRC) and all corporate guarantors (being PRC Company-1 which has a net asset value of approximately RMB84 million and PRC Company-2 which has a net asset value of approximately RMB26million based on their latest available management accounts).

The Directors consider that the Borrower, the Guarantor, the Personal Chargor, the German Company and the US Company (together with all individual guarantors and all corporate guarantors) have provided sufficient collateral and guarantee for the Loan.

Other terms

Save as disclosed above, all other terms of the Facility Agreement remain unchanged and continue to be in full force and effect.

INFORMATION ON THE GROUP AND THE LENDER

As a Hong Kong based company, the Group principally provides comprehensive financial services in Mainland China, Japan and South Korea, with businesses covering wealth and asset management, securities and futures brokerage, securities margin financing, corporate finance advisory services, investment in securities trading and money lending. As an investment holding company, in addition to directly investing in the healthcare sector and mother-infant-child consumer products sector, the Group also takes trading of securities as a principal business and invests conservatively in local and global stocks.

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-6

The Borrower is a BVI business company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Borrower is directly owned as to 100% by the Guarantor as at the date of this announcement.

The Guarantor is an individual who is a resident in the PRC and the sole ultimate beneficial owner of the Borrower. The Guarantor is an entrepreneur with businesses in medical, healthcare, property, investment and management. The Guarantor has no past or present relationships (whether formal or informal, business or otherwise, implied or explicit) with the Company or its connected person.

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 Individual-3 is an individual who is a resident in the PRC.

The Personal Chargor is an individual who is a resident in the PRC.

PRC Individual-1, PRC Individual-2 and PRC Individual-3 are family relatives of the Guarantor. The Personal Chargor is a friend of the Guarantor. None of PRC Individual-1, PRC Individual-2, PRC Individual-3 and the Personal Chargor have any past or present relationships (whether formal or informal, business or otherwise, implied or explicit) with the Company or its connected person.

PRC Company-1 is a company established under the laws of the PRC which is indirectly owned as to 50% by the PRC Individual-3 as at the date of this announcement. PRC Company-1 is principally engaged in investment, sales of self-developed commercial housing, real estate development and property management.

PRC Company-2 is a company established under the laws of the PRC which is directly owned as to 50% by the Guarantor as at the date of this announcement. PRC Company-2 is principally engaged in investment management, asset management, investment consulting, economic and trade consulting and real estate development.

The remaining 50% shareholders of PRC Company-1 and PRC Company-2 are Mr. WANG Jianzhuo (an individual who is a resident in the PRC and a family relative of the Guarantor) and Mr. QIU Yonghao (an individual who is a resident in the PRC and a business collaboration partner of the Guarantor) respectively. None of the remaining 50% shareholders of PRC Company-1 and PRC Company-2 have any past or present relationships (whether formal or informal, business or otherwise, implied or explicit) with the Company or its connected person.

The US Company is a company incorporated in the U.S.A. which is directly owned as to 100% by the Guarantor as at the date of this announcement. The US Company is principally engaged in property investment, holding and development.

The German Company is a company incorporated in Germany which is directly owned as to 100% by the Guarantor as at the date of this announcement. The German Company is principally engaged in property investment, holding and development.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the parties to the Supplemental Deed-6 (other than the Lender) and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL DEED-6

The terms of the Supplemental Deed-6 were agreed by the parties after arm's length negotiations having taken into account the prevailing market rates and practices.

The extension of the Loan will bring in interest income for the Seventh Extension Period to the Company. Taking into consideration the interest income; and the various guarantees, mortgages and charges respectively created and given by the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, the Personal Chargor, PRC Company-1, PRC Company-2, the German Company and the US Company, the Directors consider that the extension of the Loan will result in a reasonable and stable income in the form of interest return to the Group. The 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.

IMPAIRMENT ASSESSMENT

As of 30 June 2022, the Company recognized a loss allowance for expected credit losses of approximately HK\$6,200,000 on the Loan (subject to auditors' further review) in accordance with the relevant Hong Kong Financial Reporting Standard.

As the Borrower committed to continue to repay the Loan and pay interest to the Lender and the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, the Personal Chargor, PRC Company-1, PRC Company-2, the German Company and the US Company committed to continue to provide securities and guarantee by entering into the Supplemental Deed-6, the Company considered that the provision made in respect of the Loan is adequate but not excessive. The Company will continue to assess the credit risk of the Loan (and may make further impairment loss or provision in respect of the Loan if and when necessary).

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-6 constitutes a variation to the terms of the transactions previously announced under the 2016 Announcement, the January 2019 Announcement, the May 2019 Announcement, the August 2019 Announcement, the April 2020 Announcement and the December 2020 Announcement.

DEFINITIONS

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

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| “2016 Announcement” | the announcement of the Company dated 4 November 2016 in relation to the discloseable transaction constituted under the provision of the Facility |
| “April 2020 Announcement” | the announcement of the Company dated 15 April 2020 in relation to the Supplemental Deed-4 and the extension of the repayment date of the Loan from the Fourth Extended Repayment Date to the Fifth Extended Repayment Date thereunder |
| “August 2019 Announcement” | the announcement of the Company dated 23 August 2019 in relation to the Supplemental Deed-3 and the extension of the repayment date of the Loan from the Third Extended Repayment Date to the Fourth Extended Repayment Date thereunder |
| “Board” | the board of Directors |

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|----------------------------------|---|
| “Borrower” | Lyton Maison Limited, a BVI business company incorporated in the British Virgin Islands with limited liability and directly owned as to 100% by the Guarantor as at the date of this announcement |
| “Charged Assets-1” | 654,810,600 issued shares in the Listco |
| “Charged Assets-2” | 8,802,000 issued shares in the Listco |
| “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 |
| “connected person(s)” | has the same meaning as ascribed to it under the Listing Rules |
| “December 2020 Announcement” | the announcement of the Company dated 22 December 2020 in relation to the Supplemental Deed-5 and the extension of the repayment date of the Loan from the Fifth Extended Repayment Date to the Sixth Extended Repayment Date thereunder |
| “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 (i) various supplemental deeds dated 6 November 2017, 7 February 2018 and 3 May 2018 respectively; (ii) the Supplemental Deed-1; (iii) the Supplemental Deed-2; (iv) the Supplemental Deed-3; (v) the Supplemental Deed-4; (vi) the Supplemental Deed-5 and (vii) the Supplemental Deed-6 |
| “Fifth Extended Repayment Date” | 6 November 2020 |
| “Fourth Extended Repayment Date” | 6 November 2019 |

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| “Further Extended Repayment Date” | 6 May 2019 |
| “Germany” | the Federal Republic of Germany |
| “German Company” | Immo BA GmbH, a company incorporated in Germany which is directly owned as to 100% by the Guarantor as at the date of this announcement |
| “Group” | the Company and its subsidiaries |
| “Guarantor” | Ms. Shi Qi, an individual who is a resident in the PRC and the sole shareholder of the Borrower |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HSBC” | The Hongkong and Shanghai Banking Corporation Limited |
| “January 2019 Announcement” | the announcement of the Company dated 24 January 2019 in relation to the Supplemental Deed-1 and the extension of the repayment date of the Loan from the Extended Repayment Date to the Further Extended Repayment Date thereunder |
| “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 |
| “May 2019 Announcement” | the announcement of the Company dated 27 May 2019 in relation to the Supplemental Deed-2 and the extension of the repayment date of the Loan from the Further Extended Repayment Date to the Third Extended Repayment Date thereunder |
| “Personal Chargor” | Ms. Yan Yanqin, an individual who is a resident in the PRC |

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| “PRC” | the People’s Republic of China |
| “PRC Company-1” | Zhongxi Weiye (Beijing) Investment Co., Ltd.* (中禧偉業(北京)投資有限公司), a company established under the laws of the PRC which is indirectly owned as to 50% by the PRC Individual-3 as at the date of this announcement |
| “PRC Company-2” | Beijing Seven Ocean Investment Co., Ltd.* (北京七海投資有限公司), a company established under the laws of the PRC which is directly owned as to 50% by the Guarantor as at the date of this announcement |
| “PRC Individual-1” | Mr. Shi Peijia, an individual who is a resident in the PRC |
| “PRC Individual-2” | Mr. Teng Wei, an individual who is a resident in the PRC |
| “PRC Individual-3” | Ms. Ma Xiuqin, an individual who is a resident in the PRC |
| “Prime Rate” | the prime lending rate quoted by HSBC |
| “Seventh Extended Repayment Date” | 6 November 2025 |
| “Seventh Extension Period” | the further extension period of thirty-six (36) months commencing from the day after the Sixth Extended Repayment Date |
| “Share(s)” | the ordinary share(s) of the Company |
| “Shareholder(s)” | the holder(s) of Shares |
| “Sixth Extended Repayment Date” | 7 November 2022 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supplemental Deed-1” | the supplemental deed entered into among 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 |

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|---------------------------------|---|
| “Supplemental Deed-2” | the supplemental deed entered into among the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, PRC Company-1, PRC Company-2, the German Company and the US Company on 27 May 2019 (after trading hours) in relation to the Facility Agreement |
| “Supplemental Deed-3” | the supplemental deed entered into among the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, PRC Company-1, PRC Company-2, the German Company and the US Company on 23 August 2019 (after trading hours) in relation to the Facility Agreement |
| “Supplemental Deed-4” | the supplemental deed entered into among the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, PRC Company-1, PRC Company-2, the German Company and the US Company on 15 April 2020 (after trading hours) in relation to the Facility Agreement |
| “Supplemental Deed-5” | the supplemental deed entered into among the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, the Personal Chargor, PRC Company-1, PRC Company-2, the German Company and the US Company on 22 December 2020 (after trading hours) in relation to the Facility Agreement |
| “Supplemental Deed-6” | the supplemental deed entered into among the Lender, the Borrower, the Guarantor, PRC Individual-1, PRC Individual-2, PRC Individual-3, the Personal Chargor, PRC Company-1, PRC Company-2, the German Company and the US Company on 15 November 2022 (after trading hours) in relation to the Facility Agreement |
| “Third Extended Repayment Date” | 6 August 2019 |
| “U.S.A.” | the United States of America |
| “US Company” | Miracle Enterprise LLC, a company incorporated in the U.S.A. which is directly owned as to 100% by the Guarantor as at the date of this announcement |
| “%” | per cent |

By order of the Board
Mason Group Holdings Limited
Han Ruixia
*Executive Director and
Deputy Chief Executive Officer*

Hong Kong, 15 November 2022

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

Executive Directors:

Ms. Han Ruixia

Mr. Zhang Zhenyi

Non-executive Director:

Ms. Hui Mei Mei, Carol

Independent Non-executive Directors:

Mr. Tian Ren Can

Mr. Wang Cong

Mr. Wu Xu'an

Mr. Ng Yu Yuet

* *For identification purpose only*