

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.*

*This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Offeror or the Company nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities of the Company or of the Offeror in any jurisdiction in contravention of applicable law.*

*This joint announcement is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction.*

**LIBERTY HIGH  
CAPITAL LIMITED**

*(incorporated in the British Virgin Islands with limited liability)*



**MASON GROUP**

**HOLDINGS LIMITED**

**茂宸集團控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 273)**

**JOINT ANNOUNCEMENT**

- (1) PROPOSAL FOR THE TAKE-PRIVATE OF  
MASON GROUP HOLDINGS LIMITED  
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 673 OF THE COMPANIES ORDINANCE**
- (2) PROPOSED WITHDRAWAL OF LISTING OF  
MASON GROUP HOLDINGS LIMITED**
- (3) RESUMPTION OF TRADING IN THE SHARES OF  
MASON GROUP HOLDINGS LIMITED**

**Financial Adviser to the Offeror**



**SOMERLEY CAPITAL LIMITED**

## **INTRODUCTION**

The Offeror and the Company jointly announce that on 30 May 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the take-private of the Company by way of the Scheme, being a scheme of arrangement under Section 673 of the Companies Ordinance.

## **TERMS OF THE PROPOSAL**

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to the Scheme Shareholders of the cancellation price of HK\$0.0338, less the Dividend Adjustment (if any), in cash for each Scheme Share;
- (b) upon the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror. The Company will accordingly become a direct wholly-owned subsidiary of the Offeror on the Effective Date; and
- (c) the listing of the Shares on the Stock Exchange will be withdrawn with effect after the Effective Date.

### **Cancellation Price**

Under the Scheme, the Cancellation Price will be in the amount of HK\$0.0338 per Scheme Share, which amount (less the Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash.

### **Comparison of value**

**The Cancellation Price of HK\$0.0338 in cash for every Scheme Share cancelled and extinguished under the Scheme represents:**

- a premium of approximately 20.7% over the closing price of HK\$0.0280 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 20.7% over the average closing price of HK\$0.0280 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 19.4% over the average closing price of HK\$0.0283 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;

- a premium of approximately 19.0% over the average closing price of approximately HK\$0.0284 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 12.7% over the average closing price of approximately HK\$0.0300 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 19.0% over the average closing price of approximately HK\$0.0284 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a discount of approximately 60.8% to the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.0862 as at 31 December 2022 (calculated based on the audited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$3,826,232,000 as at 31 December 2022 as extracted from the Company's 2022 annual report and 44,364,885,557 Shares (being the number of Shares in issue as at 31 December 2022)).

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the historical financial performance and business prospects of the Group, the financial information of the Group, and the recent market prices and trading volume of the Shares traded on the Stock Exchange.

## **FINANCIAL RESOURCES**

On the assumption that no further Shares are issued before the Scheme Record Date, the maximum amount of cash consideration required for the Offeror to effect the Proposal is approximately HK\$1,499.5 million.

Somerley, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

## **IRREVOCABLE UNDERTAKINGS**

On 27 March 2023, 28 March 2023 and 13 May 2023, the Offeror received the Irrevocable Undertakings from the Committed Shareholders, respectively, who held or had control over an aggregate of 21,095,905,252 Shares (representing approximately 47.55% of the total number of Shares in issue) as at the Announcement Date. Pursuant to the Irrevocable Undertakings, each Committed Shareholder has irrevocably and unconditionally undertaken to the Offeror that, among others:

- (i) it shall exercise, and shall procure the exercise of, all voting rights attaching to all the Committed Shares in favour of any resolution to be proposed at any general meeting of the Company or at any meeting of holders of Shares convened by a court which is necessary to implement or otherwise relate to the Proposal (including any resolution that may impact on the fulfilment of any condition to the Proposal), and carry out all acts as are necessary for the implementation of the Proposal; and

- (ii) it shall not, and shall procure that the relevant registered holder of the Committed Shares shall not:
- (a) except to give effect to the arrangements in the relevant Irrevocable Undertaking, (1) sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in any way in respect of any of the Committed Shares or any interest therein; or (2) enter into any agreement in respect of the voting rights or other rights attached to any of the Committed Shares;
  - (b) except with the prior written consent of the Offeror, purchase, acquire, subscribe for or otherwise deal in any Shares or other securities of the Company or any interest therein;
  - (c) accept, or give any undertaking to accept or otherwise agree to, any offer, scheme of arrangement, acquisition, merger or other business combination made or proposed to be made in respect of any of the Committed Shares by any person other than the Offeror, or otherwise take any action or express any opinion which is or may be prejudicial to the success of the Proposal; or
  - (d) enter into any discussion, negotiation, agreement or arrangement or incur any obligation (or permit such circumstances to occur) in relation to (1) the Committed Shares; or (2) any of the acts referred to in sub-paragraphs (a), (b) or (c) above, or make available any information to any person (other than the Offeror and any other person authorised by the Offeror) in connection with the foregoing.

Each of the Irrevocable Undertakings shall terminate (i) if this joint announcement is not published on or before the IU Long Stop Date, being 30 September 2023, at the end of the IU Long Stop Date; or (ii) if this joint announcement is published on or before the IU Long Stop Date, at the time of the Proposal becoming effective, lapsing or being withdrawn in circumstances permitted under the Takeovers Code.

#### **DESPATCH OF SCHEME DOCUMENT**

The Scheme Document containing, among other things, details of the Scheme, the expected timetable, an explanatory statement as required under the rules of the High Court, information regarding the Company, the recommendations of the Independent Board Committee with respect to the Proposal, the letter of advice from the Independent Financial Adviser, notices of the Court Meeting and the General Meeting as well as other particulars required by the Takeovers Code will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and other applicable laws and regulations.

The Scheme Document will contain important information and the Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and/or the General Meeting. Any voting, acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

## **PROPOSED WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and extinguished and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect after the Effective Date.

The Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed expected timetable of the implementation of the Proposal will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 31 May 2023 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 12 June 2023.

## **WARNINGS**

**Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

**This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company or of the Offeror in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details on how to vote on the Proposal. Any acceptance, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.**

**The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Details in relation to overseas Shareholders will be contained in the Scheme Document.**

## 1. INTRODUCTION

The Offeror and the Company jointly announce that on 30 May 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the take-private of the Company by way of the Scheme, being a scheme of arrangement under Section 673 of the Companies Ordinance.

## 2. TERMS OF THE PROPOSAL

As at the Announcement Date, (i) the issued share capital of the Company comprises 44,364,885,557 Shares, all of which will be regarded as Scheme Shares and subject to the Scheme; and (ii) there are no outstanding options, warrants, derivatives or securities convertible into Shares. Based on the cancellation price of HK\$0.0338, the Proposal values the issued share capital of the Company at approximately HK\$1,499.5 million.

If the Proposal is approved and implemented:

- (a) all the Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to the Scheme Shareholders of the cancellation price of HK\$0.0338, less the Dividend Adjustment (if any), in cash for each Scheme Share;
- (b) upon the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be restored to its former number by the issuance to the Offeror, credited as fully paid, of the same number of new Shares as the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of any reduction in issued share capital will be applied to the paying up in full of the new Shares so issued, credited as fully paid, to the Offeror. The Company will accordingly become a direct wholly-owned subsidiary of the Offeror on the Effective Date; and
- (c) the listing of the Shares on the Stock Exchange will be withdrawn with effect after the Effective Date.

### Cancellation Price

Under the Scheme, the Cancellation Price will be in the amount of HK\$0.0338 per Scheme Share, which amount (less the Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash.

If, after the Announcement Date, any dividend and, or other distribution and, or other return of capital is announced, declared or paid in respect of the Scheme Shares, the Offeror expressly reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend and, or distribution and, or as the case may be, return of capital per Share after consultation with the Executive ("**Dividend Adjustment**"), in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

As at the Announcement Date, (i) the Company has not announced or declared any dividend, distribution or other return of capital which remains unpaid; and (ii) the Company does not intend to

announce, declare and, or pay any dividend, distribution or other return of capital before the Effective Date, or the date on which the Scheme is not approved or the Proposal otherwise lapses (as the case may be).

### **Comparison of value**

The Cancellation Price of HK\$0.0338 in cash for every Scheme Share cancelled and extinguished under the Scheme represents:

- a premium of approximately 20.7% over the closing price of HK\$0.0280 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 20.7% over the average closing price of HK\$0.0280 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 19.4% over the average closing price of HK\$0.0283 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 19.0% over the average closing price of approximately HK\$0.0284 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 12.7% over the average closing price of approximately HK\$0.0300 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Day;
- a premium of approximately 19.0% over the average closing price of approximately HK\$0.0284 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a discount of approximately 60.8% to the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.0862 as at 31 December 2022 (calculated based on the audited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$3,826,232,000 as at 31 December 2022 as extracted from the Company's 2022 annual report and 44,364,885,557 Shares (being the number of Shares in issue as at 31 December 2022).

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the historical financial performance and business prospects of the Group, the financial information of the Group, and the recent market prices and trading volume of the Shares traded on the Stock Exchange.

### **Highest and lowest prices**

During the six month period preceding the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.039 each on 2 February 2023, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.026 each on 30 November 2022 and 1 December 2022.

### 3. FINANCIAL RESOURCES

Somerley has been appointed as the financial adviser to the Offeror in connection with the Proposal.

On the assumption that no further Shares are issued before the Scheme Record Date, the maximum amount of cash consideration required for the Offeror to effect the Proposal is approximately HK\$1,499.5 million.

The Offeror intends to finance the cash requirement for the Proposal through (a) its internal cash resources, indirectly funded through Red Emerald Capital Fund II from its limited partners; and (b) the drawdown of the margin loan facility provided to the Offeror by Funderstone Securities (the “**Offeror Acquisition Financing**”), the Offeror’s repayment obligation under which is (i) guaranteed by Red Emerald Capital Fund II and (ii) secured by a charge over the new Shares that will be allotted and issued to the Offeror upon the Scheme becoming effective under the Proposal (the “**Share Charge**”) pursuant to a deed of share charge executed by the Offeror in favour of Funderstone Securities.

Somerley, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

### 4. REASONS FOR AND BENEFITS OF THE PROPOSAL

The purpose of Red Emerald Capital Fund II is to achieve long-term capital appreciation principally through, among others, the acquisition and holding of the interests in the Company. With the Company becoming a private company wholly-owned by the Offeror following the implementation of the Proposal, the Offeror will be in a better position to provide greater commercial and financial support to the Company in a more flexible manner, which the Offeror believes to be beneficial to the Group. The Offeror will also be able to focus on long-term development of the Group, free from the pressure of short-term share price fluctuations or stock market expectations which arise from the Company being a listed company. In addition, as stated in the section below headed “10. The intention of the Offeror in relation to the Group”, the Offeror will conduct a strategic review of the financial position and operations of the Group. The take-private of the Company will permit the Offeror to make strategic decisions on, among others, business, investment or capital raising opportunities of the Group following the above strategic review. The Offeror will be able to execute any such strategic decisions in a more efficient and flexible manner if the Company is a private company wholly-owned by the Offeror.

The Offeror also believes the Proposal provides the Scheme Shareholders with an attractive opportunity to realise their investments and interests in the Company for cash at a premium over the historical market prices of the Shares. The Cancellation Price represents a premium of approximately (i) 20.7% over the closing price of the Shares on the Last Trading Day; (ii) 20.7% over the average closing price of the Shares for the 5 trading days up to and including the Last Trading Day; (iii) 19.4% over the average closing price of the Shares for the 10 trading days up to and including the Last Trading Day; (iv) 19.0% over the average closing price of the Shares for the 30 trading days up to and including the Last Trading Day; (v) 12.7% over the average closing price of the Shares for the 90 trading days up to and including the Last Trading Day; and (vi) 19.0% over the average closing price of the Shares for the 180 trading days up to and including the Last Trading Day. While the Cancellation Price represents a discount of approximately 60.8% to the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.0862 as at 31



December 2022, historical average closing prices of the Shares as disclosed above have been trading at discounts to the audited net asset value per Share.

The liquidity of the Shares has been at a relatively low level over a prolonged period of time, with a median daily trading volume of approximately 2,800,000 Shares for the 24 months up to and including the Last Trading Day, representing less than 0.01% of the total issued Shares as at the Last Trading Day. Low trading liquidity of the Shares renders it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. Further, such low liquidity may also hinder ability of the Company to raise funds from the public equity market, which no longer serves as a viable source of funding for developing the business of the Group. Based on the above, the Proposal provides immediate opportunity for Scheme Shareholders to monetise their investments for cash and redeploy the proceeds from the Scheme into other investment opportunities.

## **5. CONDITIONS TO THE PROPOSAL**

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme at the Court Meeting (by way of a poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all CO Disinterested Shares, provided that:
  - (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Disinterested Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting; and
  - (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Disinterested Shares held by the Independent Shareholders;
- (b) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting, in person or by proxy, at the General Meeting (and otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled and extinguished;
- (c) the sanction of the Scheme (with or without modifications) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under Part 2 of the Companies Ordinance;
- (d) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme, respectively;

- (e) the SFC having granted approval for the Offeror, Red Emerald Capital Fund II, Red Emerald Capital II Ltd., Red Emerald Capital Limited, Olentangy River Capital Limited, Mr. Jeffrey Xia, and, if required by the SFC, any other persons, to become substantial shareholders of the Hong Kong Licensed Entities which are and will be carrying on regulated activity business under the SFO, as required by the SFC under the SFO, without imposing any condition or term that is unduly burdensome on the Offeror and/ or its shareholder(s), and such approval remaining in full force and effect and not being withdrawn or revoked;
- (f) save for the Authorisation specified in Condition (e), all necessary Authorisations which are material in the context of the Group taken as a whole and other registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (g) no government, court, or governmental, quasi-governmental, statutory or regulatory body or agency in any jurisdiction having taken or instituted any action, proceeding or suit (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings or suits as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;
- (h) since the Accounts Date up to and including the time when the last of the Conditions set out in (a) to (g) is fulfilled or waived (as applicable) (“**Relevant Time**”), there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal) (“**Material Adverse Change**”);
- (i) up to and including the Relevant Time, the Company having in all material respects made public all information required to be made public by all applicable laws, rules and regulations including the Listing Rules and the SFO;
- (j) up to and including the Relevant Time, the information published by the Company under the Listing Rules and SFO, including the annual reports and interim reports published on the website of the Stock Exchange in the past three years (together, the “**Company Disclosure**”) remaining true, accurate, complete and not misleading in all material respects, and the Company Disclosure not otherwise having omitted any material information which is necessary to enable investors to make an informed assessment of the financial position of the Group;
- (k) since the Accounts Date up to and including the Relevant Time, no member of the Group having any liabilities (including contingent liabilities, including, but not limited to, liability for guarantees provided by any member of the Group to third parties outside of the ordinary course of business) other than (a) as disclosed in the annual report of the Company published on 26 April 2023 (“**Audited Accounts**”), or (b) as incurred in the ordinary and proper course of the business of the Group since the Accounts Date;

- (l) since the Announcement Date up to and including the Relevant Time, there not having been (i) any litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member; (ii) any claim against or in respect of any member of the Group (including but not limited to Mason Privatbank Liechtenstein AG (“MPL”)), or any such claim having been threatened in writing, announced, instituted or remaining outstanding, or any event or circumstance having occurred or occurring that could give rise to such claim; (iii) any liability of any member of the Group (including but not limited to MPL) having been identified which has not been specifically and sufficiently disclosed in the Company Disclosure and the Audited Accounts prior to the Announcement Date, or any event or circumstance having occurred or occurring that could give rise to such liability; or (iv) any investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any member of the Group or the business carried on by any such member and no such investigation having been threatened in writing, announced, instituted or remaining outstanding against or in respect of any such member, in each case which is or will result in a Material Adverse Change; and
- (m) up to and including the Relevant Time, save as disclosed in the Company Disclosure, no member of the Group having been in breach of any laws, rules and regulations that has resulted in or will result in a Material Adverse Change.

In respect of Condition (e) above, applications will be made for the SFC approval for the Offeror, Red Emerald Capital Fund II, Red Emerald Capital II Ltd., Red Emerald Capital Limited, Olentangy River Capital Limited, Mr. Jeffrey Xia, and, if required by the SFC, any other persons, to become substantial shareholders of the relevant Hong Kong Licensed Entities, including, if required by the SFC, those Hong Kong Licensed Entities which have already ceased their regulated activity businesses, as soon as practicable after the Announcement Date. As at the Announcement Date, save for the Authorisations specified in Condition (e), the Offeror and the Company are not aware of any Authorisation or consent which is required in Conditions (e) and (f), and are not aware of any matter that would result in Conditions (g) to (m) not being capable of satisfaction.

The Conditions (a) to (d) above are not waivable. The Offeror reserves the right to waive: (1) Condition (e) to the extent that any waiver thereof will not result in a breach of the SFO by the relevant Hong Kong Licensed Entity; and (2) any of the Conditions (f) to (m), either in whole or in respect of any particular matter. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

All of the Conditions will have to be satisfied or waived (as applicable), on or before the Long Stop Date, otherwise the Scheme will not become effective.

If approved, the Scheme will be binding on all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

**Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. Shareholders and potential investors of the**

**Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **6. IRREVOCABLE UNDERTAKINGS**

On 27 March 2023, 28 March 2023 and 13 May 2023, the Offeror received the Irrevocable Undertakings from the Committed Shareholders, respectively, who held or had control over 6,192,360,618 Shares, 7,246,628,634 Shares and 7,656,916,000 Shares (representing approximately 13.96%, 16.33% and 17.26% of the total number of Shares in issue) as at the Announcement Date, respectively, which aggregate to 21,095,905,252 Shares (representing approximately 47.55% of the total number of Shares in issue) as at the Announcement Date. Each of the Committed Shareholders is not, and is not presumed to be, acting in concert with (i) the Offeror and (ii) any Offeror Concert Party, except that Funderstone Securities, an Offeror Concert Party, holds 629,962,748 Shares as custodian for Investment Talent Limited and Funderstone Securities is therefore presumed to be acting in concert with Investment Talent Limited in respect of those 629,962,748 Shares under class (5) of the definition of “acting in concert” under the Takeovers Code. For the avoidance of doubt, Investment Talent Limited is not an Offeror Concert Party. Pursuant to the Irrevocable Undertakings, each Committed Shareholder has irrevocably and unconditionally undertaken to the Offeror that, among others:

- (a) it shall exercise, and shall procure the exercise of, all voting rights attaching to all the Committed Shares in favour of any resolution to be proposed at any general meeting of the Company or at any meeting of holders of Shares convened by a court which is necessary to implement or otherwise relate to the Proposal (including any resolution that may impact on the fulfilment of any condition to the Proposal), and carry out all acts as are necessary for the implementation of the Proposal; and
- (b) it shall not, and shall procure that the relevant registered holder of the Committed Shares shall not:
  - (i) except to give effect to the arrangements in the relevant Irrevocable Undertaking, (1) sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in any way in respect of any of the Committed Shares or any interest therein; or (2) enter into any agreement in respect of the voting rights or other rights attached to any of the Committed Shares;
  - (ii) except with the prior written consent of the Offeror, purchase, acquire, subscribe for or otherwise deal in any Shares or other securities of the Company or any interest therein;
  - (iii) accept, or give any undertaking to accept or otherwise agree to, any offer, scheme of arrangement, acquisition, merger or other business combination made or proposed to be made in respect of any of the Committed Shares by any person other than the Offeror, or otherwise take any action or express any opinion which is or may be prejudicial to the success of the Proposal; or
  - (iv) enter into any discussion, negotiation, agreement or arrangement or incur any obligation (or permit such circumstances to occur) in relation to (1) the Committed Shares; or (2) any of the acts referred to in sub-paragraphs (i), (ii) or (iii) above, or make

available any information to any person (other than the Offeror and any other person authorised by the Offeror) in connection with the foregoing.

Each of the Irrevocable Undertakings shall terminate (1) if this joint announcement is not published on or before the IU Long Stop Date, being 30 September 2023, at the end of the IU Long Stop Date; or (2) if this joint announcement is published on or before the IU Long Stop Date, at the time of the Proposal becoming effective, lapsing or being withdrawn in circumstances permitted under the Takeovers Code.

## **7. SHAREHOLDING STRUCTURE**

As at the Announcement Date:

- (a) the issued share capital of the Company comprises 44,364,885,557 Shares, all of which will be regarded as Scheme Shares and subject to the Scheme;
- (b) no options are outstanding under the Share Option Scheme and the Share Option Scheme had lapsed on 21 May 2022;
- (c) the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital comprising 44,364,885,557 Shares; Funderstone Securities, an Offeror Concert Party, held 4,664,953,868 Shares, representing 10.51% of the issued Shares. As confirmed by Funderstone Securities, (i) other than 412 Shares which it holds beneficially, the remaining 4,664,953,456 Shares are held by it as custodian for its clients in its ordinary and usual course of business; and (ii) it does not have any control over these 4,664,953,456 Shares (including the voting rights attaching thereto). As such, the 4,664,953,456 Shares held by Funderstone Securities are considered to be Disinterested Shares and CO Disinterested Shares;
- (d) save as disclosed in sub-paragraph (c) above, the Offeror and the Offeror Concert Parties do not hold or have control or direction over any other Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company and have not dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company in the past six months prior to the Announcement Date;
- (e) neither the Offeror nor the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company;
- (f) neither the Offeror nor the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and
- (g) all Shareholders (other than Funderstone Securities in respect of 412 Shares held by it beneficially) are considered as Independent Shareholders for the purpose of the Takeovers Code and holders of CO Disinterested Shares for the purpose of the Companies Ordinance.

On the assumption that there is no other change in the shareholding structure of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon completion of the Proposal:

Shareholders	As at the Announcement Date		Immediately upon completion of the Proposal	
	No. of Shares	Approximate % (Note 1)	No. of Shares (Note 2)	Approximate % (Note 1)
<b>Offeror</b>	-	-	44,364,885,557	100.00
<b>Offeror Concert Parties</b>				
Funderstone Securities	412 (Note 3)	0.00	-	-
<b>Aggregate number of Shares held by the Offeror and Offeror Concert Parties</b>	<b>412</b>	<b>0.00</b>	<b>44,364,885,557</b>	<b>100.00</b>
<b>Independent Shareholders (including all Committed Shareholders)</b>				
Committed Shareholders				
Future Achiever Limited	7,656,916,000 (Note 4)	17.26	-	-
Investment Talent Limited	7,246,628,634 (Note 5)	16.33	-	-
Tsarina Investments Limited	6,192,360,618 (Note 6)	13.96	-	-
Sub-total	21,095,905,252	47.55	-	-
Substantial shareholders (within the meaning of the Takeovers Code) of the Company (other than the Committed Shareholders)				
True Dynasty Limited	7,179,192,165 (Note 7)	16.18	-	-
Other Independent Shareholders	16,089,787,728	36.27	-	-
<b>Aggregate number of Shares held by Independent Shareholders</b>	<b>44,364,885,145</b> (Note 8)	<b>100.00</b>	<b>-</b>	<b>-</b>
<b>Total number of Shares</b>	<b>44,364,885,557</b>	<b>100.00</b>	<b>44,364,885,557</b>	<b>100.00</b>
<b>Total number of Scheme Shares</b>	<b>44,364,885,557</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

Notes:

1. The shareholding percentages in the table are subject to rounding adjustment.
2. Under the Scheme, the share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares, and forthwith upon such reduction, the share capital of the Company will be increased to its former amount by the issuance to the Offeror, credited as fully paid, of the same number of Shares as is equal to the number of Scheme Shares cancelled and extinguished.
3. These 412 Shares are held by Funderstone Securities beneficially.

*Funderstone Securities is presumed to be acting in concert with the Offeror under class (9) of the definition of “acting in concert” under the Takeovers Code by virtue of its provision of the Offeror Acquisition Financing to the Offeror to finance part of the cash requirement for the Proposal.*

4. *According to the latest disclosures of interests in the Company, these 7,656,916,000 Shares are held by Future Achiever Limited, a company wholly-owned by Mr. Hui Wing Mau. Future Achiever Limited is a Committed Shareholder and a substantial shareholder (within the meaning of the Takeovers Code) of the Company.*
5. *According to the latest disclosures of interests in the Company, these 7,246,628,634 Shares are held by Investment Talent Limited, a company wholly-owned by Mr. Chen Sung-Tse. 629,962,748 of these Shares are held through Funderstone Securities as custodian for Investment Talent Limited. Investment Talent Limited is a Committed Shareholder and a substantial shareholder (within the meaning of the Takeovers Code) of the Company.*
6. *According to the latest disclosures of interests in the Company, these 6,192,360,618 Shares are held by Tsarina Investments Limited, a company wholly-owned by Ms. Lin Yi-Wei. Tsarina Investments Limited is a Committed Shareholder and a substantial shareholder (within the meaning of the Takeovers Code) of the Company.*
7. *According to the latest disclosures of interests in the Company, these 7,179,192,165 Shares are held by True Dynasty Limited, a company wholly-owned by Ms. Hsu Yu-Yu.*
8. *These 44,364,885,145 Shares include the 4,664,953,456 Shares held by Funderstone Securities as custodian for its clients as stated below.*

*As confirmed by Funderstone Securities, (i) 4,664,953,456 Shares are held by it as custodian for its clients (including 629,962,748 Shares held by it as custodian for Investment Talent Limited, which is a Committed Shareholder) in its ordinary and usual course of business; and (ii) it does not have any control over these 4,664,953,456 Shares (including the voting rights attaching thereto). As such, the 4,664,953,456 Shares held by Funderstone Securities are considered to be Disinterested Shares and CO Disinterested Shares.*

9. *As at the Announcement Date, none of the Directors are interested (within the meaning of Part XV of the SFO) in the Shares.*

## **8. INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES**

### **(a) Offeror**

The Offeror is a company incorporated in the British Virgin Islands with limited liability. As at the Announcement Date, it is wholly-owned by Red Emerald Capital Fund II.

### **(b) Red Emerald Capital Fund II**

Red Emerald Capital Fund II is a Cayman Islands exempted limited partnership. A key strategy of the Red Emerald Capital Fund II is to invest and hold interests in businesses with potential, in terms of overall asset appreciation and/or revenue generation.

The general partner of Red Emerald Capital Fund II is Red Emerald Capital II Ltd., a company incorporated in the Cayman Islands with limited liability, which is wholly-owned by Red Emerald Capital Limited, a company incorporated in the British Virgin Islands with limited liability, which is in turn wholly-owned by Mr. Jeffrey Xia, the founder of Red Emerald Capital Limited. The principal businesses of Red Emerald Capital II Ltd. and Red Emerald Capital Limited are investment management and investment holding, respectively.

The limited partners of Red Emerald Capital Fund II are:

- (i) Olentangy River Capital Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Jeffrey Xia, and whose percentage interest in Red Emerald Capital Fund II as contemplated under the partnership agreement of Red Emerald Capital Fund II (as amended and restated from time to time) will, upon completion of the Proposal, be approximately 42.86%;
- (ii) Empire Gain International Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Ms. Huang An-Chi, and whose percentage interest in Red Emerald Capital Fund II as contemplated under the partnership agreement of Red Emerald Capital Fund II (as amended and restated from time to time) will, upon completion of the Proposal, be approximately 28.57%; and
- (iii) Islandwide Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Ms. Yu Hsuan-Jung, and whose percentage interest in Red Emerald Capital Fund II as contemplated under the partnership agreement of Red Emerald Capital Fund II (as amended and restated from time to time) will, upon completion of the Proposal, be approximately 28.57%.

**(c) Olentangy River Capital Limited and Mr. Jeffrey Xia**

Olentangy River Capital Limited is an investment holding company. Olentangy River Capital Limited is wholly owned and controlled by Mr. Jeffrey Xia.

Mr. Jeffrey Xia has over 25 years of experience in investment banking, asset management, and insurance across the US and Asia. He is the Chairman of Red Emerald Capital. Prior to that, he spent nearly a decade with J.P. Morgan in the US and Asia. He was a senior investment banker, Head of China Insurance Global Investment Banking at J.P. Morgan. He led many large capital transactions including equity financing through initial public listings, cross-border mergers and acquisitions and debt financing. Prior to the appointment, Mr. Xia was a senior banker and client portfolio manager, Head of China Financial Institution Strategy with J.P. Morgan Asset Management. Prior to J.P. Morgan, he was a senior executive with one of the largest financial insurance groups in the US, based in Chicago. He also worked at Deloitte Los Angeles office earlier in his career. Mr. Xia was previously licensed to carry out **Type 1** (dealing in securities) regulated activities from July 2013 to July 2021, **Type 4** (advising on securities) regulated activities from July 2013 to July 2021, **Type 6** (advising on corporate finance) regulated activities from June 2015 to July 2021 and **Type 9** (asset management) regulated activities from July 2013 to May 2015 under the SFO in Hong Kong. Mr. Xia was admitted as a Fellow of Casualty Actuarial Society (**FCAS**) in November 2013, as a Fellow of Society of Actuaries (**FSA**) in October 2013 and as a Member of the American Academy of Actuaries (**MAAA**) in February 2012 in North America.



**(d) Empire Gain International Limited and Ms. Huang An-Chi**

Empire Gain International Limited is an investment company that invests in various sectors, including but not limited to media, telecom, healthcare, real estate and financial institutions. Empire Gain International Limited is wholly owned and controlled by Ms. Huang An-Chi.

**(e) Islandwide Holdings Limited and Ms. Yu Hsuan-Jung**

Islandwide Holdings Limited is principally engaged in investments in consumer, retail and technology, media and telecommunications industries including a recent investment in a Hong Kong listed natural resources investment and commodities business company. Islandwide Holdings Limited is wholly owned and controlled by Ms. Yu Hsuan-Jung.

**9. INFORMATION ON THE GROUP**

The Group is principally engaged in (i) provision of wealth and asset management, financial brokerage and related services; (ii) trading of securities investments; (iii) provision of financing services; and (iv) manufacture of infant formula and nutritional products.

**10. THE INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

As at the Announcement Date, the Offeror has no intention, upon the Scheme becoming effective, to make any material changes to the business and/or disposal or redeployment of assets of the Group, or to make any significant changes to the management of the Company or employment of employees of the Group as a result of the implementation of the Proposal. If and after the Scheme becomes effective, the Offeror will conduct a strategic review of the financial position and operations of the Group in order to formulate a long-term strategy for the Group. Subject to the results of the above strategic review, the Offeror may prioritise its support to business(es) and/or investment(s) with appealing prospects, and may explore restructuring, downsizing or disposal of business(es) and/or investment(s) that, in view of its/their present form, may not create value to the Group in the foreseeable future. Save as aforesaid, the Offeror has identified potential in the Group's financial services business in Hong Kong, and it is the intention of the Offeror to continue such business in substantially the same manner in which it is presently conducted.

**11. PROPOSED WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled and extinguished and the share certificates for the Scheme Shares will thereafter cease to have effect as evidence of title.

The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect after the Effective Date.

The Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed expected timetable of the implementation of the Proposal will be set out in the Scheme Document, which will also contain, among other things, further details of the Scheme.

## **12. INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Tian Ren Can, Mr. Wang Cong, Mr. Wu Xu'an and Mr. Ng Yu Yuet, has been established by the Board to advise the Independent Shareholders in connection with the Proposal and the Scheme, and in particular as to (i) whether the Proposal and the Scheme are fair and reasonable; and (ii) voting in respect of the Scheme at the Court Meeting.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee comprises all non-executive Directors who have no direct or indirect interest in the Proposal.

Ms. Hui Mei Mei, Carol, a non-executive Director, is also (i) a director of Future Achiever Limited Limited ("**FAL**"), a substantial shareholder of the Company holding 17.26% of the issued share capital of the Company as at the Announcement Date, and (ii) the daughter of Mr. Hui Wing Mau, the sole beneficial owner of FAL. In addition, Ms. Hui Mei Mei, Carol is nominated to the Board by FAL, which has given the Irrevocable Undertaking to the Offeror. On this basis, the Board is of the view that Ms. Hui Mei Mei, Carol is not regarded to be independent for the purpose of making a recommendation to the Scheme Shareholders in relation to the Proposal and the Scheme, therefore she has been excluded from being a member of the Independent Board Committee.

## **13. APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE**

A further announcement will be made after the appointment of the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Proposal and the Scheme, and such appointment will be approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

## **14. DESPATCH OF SCHEME DOCUMENT**

The Scheme Document containing, among other things, details of the Scheme, the expected timetable, an explanatory statement as required under the rules of the High Court, information regarding the Company, the recommendations of the Independent Board Committee with respect to the Proposal, the letter of advice from the Independent Financial Adviser, notices of the Court Meeting and the General Meeting as well as other particulars required by the Takeovers Code will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and other applicable laws and regulations.

The Scheme Document will contain important information and the Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting and/or the General Meeting. Any voting or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

## **15. SCHEME SHARES, COURT MEETING AND GENERAL MEETING**

As at the Announcement Date:

- (a) the issued share capital of the Company comprises 44,364,885,557 Shares, all of which will be regarded as Scheme Shares and subject to the Scheme;
- (b) all the Shareholders (other than Funderstone Securities in respect of 412 Shares held by it beneficially) are considered as Independent Shareholders for the purpose of the Takeovers Code and holders of CO Disinterested Shares for the purpose of the Companies Ordinance, and are entitled to vote at the Court Meeting; and
- (c) all the Shareholders are entitled to attend the General Meeting and vote on the reduction and restoration of the share capital of the Company (as described in Condition (b) in the section headed “5. Conditions to the Proposal” above).

## **16. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

Subject to the requirements of the Takeovers Code, the Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on the Offeror making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

## **17. GENERAL**

As at the Announcement Date:

- (1) save for the 44,364,885,557 issued Shares, the Company does not have any other securities in issue and does not have any outstanding options, warrants, derivatives or securities convertible into Shares;
- (2) save as disclosed in the section headed “7. Shareholding Structure” above, none of the Offeror and the Offeror Concert Parties owns, controls or has direction over any voting rights and rights over Shares;
- (3) save for the Irrevocable Undertakings, none of the Offeror and the Offeror Concert Parties has received an irrevocable commitment to vote for or against the Scheme;

- (4) none of the Offeror and the Offeror Concert Parties holds any convertible securities, warrants or options in respect of voting rights and rights over Shares;
- (5) save for the Proposal, the Offeror Acquisition Financing, the Share Charge and the Irrevocable Undertakings, there are no agreements or arrangements (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or Shares which might be material to the Proposal;
- (6) there is no agreement or arrangement to which any of the Offeror or the Offeror Concert Parties is a party which relates to the circumstances in which the Offeror may or may not invoke or seek to invoke a Condition to the Proposal;
- (7) save for the Cancellation Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror and the Offeror Concert Parties to the Scheme Shareholders or their concert parties in relation to the Scheme Shares;
- (8) save for the Irrevocable Undertakings, there is no agreement, arrangement or understanding between (i) any Shareholder and (ii)(a) the Offeror and the Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies; and
- (9) there is no special deal (as defined in Rule 25 of the Takeovers Code) between (i) any Shareholder and (ii)(a) the Offeror and the Offeror Concert Parties or (b) the Company, its subsidiaries or associated companies.

## **18. DISCLOSURE OF DEALINGS**

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code during the offer period.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries*

*will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **19. PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS**

This joint announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this joint announcement include statements about the expected effects of the Proposal on the Company, the expected timing and scope of the Proposal, and all other statements in this joint announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the Offeror and/or the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations and disruptions or reductions in travel and operations due to natural or man-made disasters, pandemics, epidemics or outbreak of infections or contagious diseases such as novel coronavirus. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as at the Announcement Date. Any forward-looking statement contained in this joint announcement based on past or current trends and/or activities of the Company should not be taken as a representation that such trends or activities will continue in the future. No statement in this joint announcement is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed their respective historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror and the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

## **20. TAXATION AND INDEPENDENT ADVICE**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal. It is emphasised that none of the Offeror, the Company or Somerley, nor any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if

applicable) for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

## **21. OVERSEAS SCHEME SHAREHOLDERS**

The making of the Proposal to those Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such Scheme Shareholders are located. Such Scheme Shareholders should inform themselves about and observe any applicable legal and regulatory requirements of their own jurisdictions. It is the responsibility of any overseas Scheme Shareholders wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

In the event that the despatch of the Scheme Document to overseas Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or its Shareholders), the Scheme Document may, subject to the consent of the Executive, not be despatched to such overseas Shareholders. For that purpose, the Company may apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Shareholders.

If any such waiver is granted by the Executive, the Offeror reserves the right to make arrangements in respect of the Shareholders who are not resident in Hong Kong in relation to the terms of the Proposal. Such arrangements may include notifying any matter in connection with the Proposal to Shareholders with registered overseas addresses by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such persons are resident. The notice will be deemed to have been sufficiently given, despite any failure by such Shareholders to receive or see that notice.

## **22. NOTICE TO US HOLDERS OF SHARES**

The Proposal is being made to cancel the securities of a company incorporated in Hong Kong by means of a scheme of arrangement provided for under the Companies Ordinance. Any financial information included in this joint announcement has been prepared in accordance with the accounting standards applicable in Hong Kong and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with the generally accepted accounting principles in the US. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities and Exchange Act of 1934, as amended.

Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in Hong Kong to schemes of arrangement which differ from the disclosure requirements of the US tender offer rules. The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation and extinguishment of its Scheme Shares pursuant to the Scheme by a Scheme Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme

Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him. It may be difficult for US holders of the Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the US, and some or all of their officers and directors may be residents of a country other than the US. US holders of the Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a judgement of the US court.

### **23. RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 31 May 2023 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for a resumption of trading in the Shares with effect from 9:00 a.m. on 12 June 2023.

### **WARNINGS**

**Shareholders and potential investors of the Company should be aware that the implementation of the Proposal and the Scheme are subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

### **DEFINITIONS**

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Accounts Date”	31 December 2022, the date to which the latest published audited consolidated financial statements of the Group (as at the Announcement Date) were made up
“acting in concert”	has the same meaning ascribed to it under the Takeovers Code, and “parties acting in concert” shall be construed accordingly
“Announcement Date”	the date of this joint announcement
“associate(s)”	has the same meaning ascribed to it under the Takeovers Code
“Authorisation(s)”	all necessary authorisations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals required from the Relevant Authorities or other third parties which are necessary for any member of the Group to carry on its business

“Board”	the board of Directors of the Company
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$0.0338 for every Scheme Share cancelled and extinguished pursuant to the Scheme, which amount (less the Dividend Adjustment (if any)) will be payable by the Offeror to the Scheme Shareholders in the form of cash. Unless otherwise stated, reference to the Cancellation Price in this joint announcement is to the amount of HK\$0.0338 per Share, without taking into account any Dividend Adjustment.
“CO Disinterested Shares”	has the meaning ascribed to “disinterested shares” in section 674(3) of the Companies Ordinance. Section 674(3) of the Companies Ordinance provides that, in the case of a takeover offer, “disinterested shares” excludes shares held by the offeror and “associates” (within the meaning provided in section 667(1)(b)(i) of the Companies Ordinance) of the offeror (unless otherwise declared by the High Court). Section 667(1)(b)(i) of the Companies Ordinance provides that where the offeror is a body corporate, a reference to an “associate” of the offeror is a reference to (i) a body corporate in the same group of companies as the offeror; (ii) a body corporate in which the offeror is substantially interested; or (iii) a person who is a party, or a nominee of a party, to an acquisition agreement with the offeror
“Committed Shareholders”	Persons who have provided the Irrevocable Undertakings in favour of the Offeror, namely Future Achiever Limited, Investment Talent Limited and Tsarina Investments Limited
“Committed Shares”	Shares held by the Committed Shareholders or company(ies) controlled (within the meaning of the Takeovers Code) by them, together with any Shares to be issued by the Company which are attributable to or derived from the Shares held by the Committed Shareholders, and any other Shares which the Committed Shareholders or companies controlled (within the meaning of the Takeovers Code) by them, may, after the date of the Irrevocable Undertakings, become the beneficial owner(s) (or otherwise become able to control the exercise of all rights, including voting rights and the right to all dividends and distributions, attaching to such Shares)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)



“Company”	Mason Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 273)
“Condition(s)”	the conditions of the Scheme, as set out in the section headed “5. <i>Conditions to the Proposal</i> ” of this joint announcement
“Court Meeting”	a meeting of the holders of Scheme Shares to be convened at the direction of the High Court, at which the Scheme will be voted upon
“Director(s)”	the director(s) of the Company
“Disinterested Shares”	Shares in issue as at the Scheme Record Date, other than those beneficially owned by the Offeror or the Offeror Concert Parties (including Funderstone Securities which holds 412 Shares beneficially). For the avoidance of doubt, Disinterested Shares include the 4,664,953,456 Shares held by Funderstone Securities as at the Announcement Date as (i) these Shares are held by Funderstone Securities as custodian for its clients in its ordinary and usual course of business; and (ii) Funderstone Securities does not have any control over these Shares (including the voting rights attaching thereto).
“Dividend Adjustment”	has the meaning given to it in the paragraph headed “Cancellation Price” in the section headed “2. <i>Terms of the Proposal</i> ” of this joint announcement
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Funderstone Securities”	Funderstone Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. Funderstone Securities is presumed to be acting in concert with the Offeror in relation to the Proposal under class (9) of the definition of “acting in concert” under the Takeovers Code by virtue of its provision of the Offeror Acquisition Financing to the Offeror to finance part of the cash requirement for the Proposal. According to the annual report for the year ended 31 December 2022 issued by G-Resources Group Limited (the shares of which are listed on

		the Main Board of the Stock Exchange (stock code: 1051)), Funderstone Securities is its wholly-owned subsidiary.
“General Meeting”		a general meeting of the Company to be convened for the purpose of, among other matters, approving the reduction of the share capital of the Company involved in the Scheme and implementing the Scheme
“Group”		the Company and its subsidiaries
“High Court”		the High Court of Hong Kong
“HK\$”		Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”		Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Licensed Entities”		all entities within the Group which are corporations licensed by the SFC to carry on regulated activities under the SFO, namely Mason Securities Limited, Mason Futures Limited, Mason Investment Management Limited, Mason Global Capital Limited, Thomas Global Financial Services Limited and Harris Fraser (International) Limited
“Independent Committee”	Board	the independent committee of the Board formed to advise the Disinterested Shareholders in connection with the Proposal and the Scheme, and comprising all the independent non-executive Directors, namely Mr. Tian Ren Can, Mr. Wang Cong, Mr. Wu Xu’an and Mr. Ng Yu Yuet
“Independent Adviser”	Financial	the independent financial adviser which will be appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Independent Shareholders”		all Shareholders, other than the Offeror and the Offeror Concert Parties
“Irrevocable Undertakings”		the irrevocable undertakings given by the Committed Shareholders in favour of the Offeror as detailed in the section headed “6. <i>Irrevocable Undertakings</i> ” of this joint announcement
“IU Long Stop Date”		30 September 2023
“Last Trading Day”		30 May 2023, being the last trading day in the Shares on the Stock Exchange immediately prior to the publication of this joint announcement
“Listing Rules”		the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	15 February 2024 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the High Court on application of the Company may allow and in all cases, as permitted by the Executive)
“Mr. Jeffrey Xia”	Mr. Hui Xia (also known as Jeffrey Xia), a director of the Offeror. Further information on Mr. Jeffrey Xia is set out in the section headed “9. <i>Information on the Offeror and the Offeror Concert Parties</i> ” of this joint announcement
“Offeror”	Liberty High Capital Limited, a company incorporated under the laws of the British Virgin Islands with limited liability. Further information on the Offeror is set out in the section headed “9. <i>Information on the Offeror and the Offeror Concert Parties</i> ” of this joint announcement
“Offeror Acquisition Financing”	as such term is defined in the section headed “3. <i>Financial Resources</i> ” of this joint announcement
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror, including Funderstone Securities
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan (except where the context requires otherwise)
“Proposal”	the proposal to take-private the Company by the Offeror by way of the Scheme, and the withdrawal of listing of the Shares from the Stock Exchange, on the terms and subject to the Conditions set out in this joint announcement
“Red Emerald Capital Fund II”	Red Emerald Capital Fund II LP, a Cayman Islands exempted limited partnership. Further information on Red Emerald Capital Fund II is set out in the section headed “8. <i>Information on the Offeror and the Offeror Concert Parties</i> ” of this joint announcement
“Relevant Authorities”	applicable governments or governmental bodies, regulatory bodies, or courts including but not limited to the SFC and the Stock Exchange
“Scheme”	a scheme of arrangement to be proposed under section 673 of the Companies Ordinance for the implementation of the Proposal, involving the cancellation and extinguishment of all the Scheme Shares and the restoration of the share capital of the Company to the amount immediately before the cancellation and extinguishment of the Scheme Shares by the issuance to the Offeror, credited as fully paid, of such

	number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished
“Scheme Document”	the composite scheme document of the Offeror and the Company, containing, <i>inter alia</i> , details of the Scheme together with the additional information specified in the section headed “15. Despatch of Scheme Document” of this joint announcement
“Scheme Record Date”	the record date for the purpose of determining the entitlements under the Scheme
“Scheme Share(s)”	Share(s) in issue on the Scheme Record Date other than those held by the Offeror. As at the Announcement Date, the Offeror does not legally and beneficially own, control or have direction over any Shares. Accordingly, all of the 44,364,885,557 Shares in issue as at the Announcement Date will be regarded as Scheme Shares and subject to the Scheme
“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares as at the Scheme Record Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	registered holder(s) of the Shares
“Share(s)”	ordinary share(s) of the Company
“Share Charge”	as such term is defined in the section headed “3. Financial Resources” of this joint announcement
“Share Option Scheme”	the share option scheme adopted by the Company on 22 May 2012, which had lapsed upon the expiry of its term on 21 May 2022
“Somerley”	Somerley Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in relation to the Proposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as revised from time to time)

“US” the United States of America

“%” per cent.

By the order of the board of directors  
**Liberty High Capital Limited**  
**Hui Xia**  
Director

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

Hong Kong, 11 June 2023

*As at the Announcement Date, the Board comprises two executive Directors, namely Ms. Han Ruixia and Mr. Zhang Zhenyi; one non-executive Director, namely Ms. Hui Mei Mei, Carol; and four independent non-executive Directors, namely Mr. Tian Ren Can, Mr. Wang Cong, Mr. Wu Xu'an and Mr. Ng Yu Yuet.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable inquiries, that, to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the Announcement Date, (i) the Offeror is wholly-owned by Red Emerald Capital Fund II, the general partner of which is Red Emerald Capital II Ltd., which is wholly-owned by Red Emerald Capital Limited, which is in turn wholly-owned by Mr. Jeffrey Xia; (ii) the directors of the Offeror are Mr. Jeffrey Xia and Ms. Chen Juan; (iii) the directors of Red Emerald Capital II Ltd. are Mr. Jeffrey Xia and Ms. Chen Juan and (iv) the directors of Red Emerald Capital Limited are Mr. Jeffrey Xia and Ms. Chen Juan.*

*The directors of the Offeror, Red Emerald Capital II Ltd. and Red Emerald Capital Limited jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*