
THIS RESPONSE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Response Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mason Group Holdings Limited, you should at once hand this Response Document to the purchaser(s) or transferee(s) or to the bank, to the licensed securities dealer or registered institution in securities or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**RESPONSE DOCUMENT RELATING TO
VOLUNTARY CONDITIONAL CASH OFFER BY OPTIMA CAPITAL LIMITED
AND KINGSTON SECURITIES LIMITED ON BEHALF OF MARVEL BONUS
HOLDINGS LIMITED TO ACQUIRE ALL OF THE ISSUED SHARES OF
MASON GROUP HOLDINGS LIMITED (OTHER THAN THOSE ALREADY
OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

Independent Financial Adviser to the Independent Board Committee

AMASSE CAPITAL
寶 積 資 本

Capitalized terms used on this cover page shall have the same meanings as those defined in the Response Document.

A letter from the Board is set out on pages 4 to 10 of the Response Document. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable and as to acceptance of the Offer is set out on pages 11 to 12 of the Response Document. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee in respect of the Offer is set out on pages 13 to 39 of the Response Document.

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DEFINITIONS

In the Response Document, unless the context requires otherwise, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Closing Date”	the First Closing Date or the Final Closing Date or a later closing date as may be announced by the Offeror and approved by the Executive subsequent to the issue of the Offer Document
“Company” or “Mason”	Mason Group Holdings Limited, a company incorporated in the Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 273)
“Directors”	the directors of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“FAL”	Future Achiever Limited, a substantial shareholder of the Company holding approximately 17.26% of the issued share capital of the Company as at the Latest Practicable Date
“Final Closing Date”	being the date which is the 14th day after (i) the Unconditional Date or (ii) the First Closing Date, whichever is the later
“First Closing Date”	18 November 2022, being the first closing date of the Offer
“Form of Acceptance”	the form of acceptance and transfer in respect of the Offer accompanying the Offer Document
“Group” or “Mason Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Tian Ren Can, Mr. Wang Cong, Mr. Wu Xu’an and Mr. Ng Yu Yuet, established for the purpose of advising and giving a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer
“Independent Financial Adviser” or “Amasse Capital”	Amasse Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in respect of the Offer
“Independent Shareholders”	Shareholder(s) other than the Offeror and parties acting in concert with it
“Latest Practicable Date”	1 November 2022, being the latest practicable date prior to the printing of the Response Document for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the voluntary conditional cash offer made by the Offeror to acquire all the Offer Shares
“Offer Announcement”	the announcement issued by the Offeror dated 10 June 2022 regarding the Offer
“Offer Announcement II”	the announcement issued by the Offeror dated 14 September 2022 regarding, among others, the increase of the offer price from HK\$0.0265 per Offer Share to HK\$0.0311 per Offer Share
“Offer Document”	the offer document dated 21 October 2022 and issued by the Offeror to all Shareholders in connection with the Offer
“Offer Period”	has the meaning ascribed to it under the Takeovers Code being the period commencing from 10 June 2022, being the date of the Offer Announcement, and ending on the Closing Date
“Offer Share(s)”	issued Share(s) other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Marvel Bonus Holdings Limited, a company incorporated in the BVI with limited liability

DEFINITIONS

“Relevant Authority(ies)”	means any government, governmental, quasi-governmental, statutory or regulatory authority, body, agency, tribunal, court or institution in any jurisdiction that has the authority to grant permit, license or approval or accept registration or filing in relation to the Offer or otherwise
“Relevant Period”	the period from 10 December 2021, being the date falling six months preceding the date of the Offer Announcement, up to and including the Latest Practicable Date
“Revised Offer Price”	the revised cash offer price of HK\$0.0311 per Offer Share payable by the Offeror to the Shareholders for each Offer Share accepted under the Offer
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Unconditional Date”	the date on which the Offer becomes or is declared unconditional in all respects
“%”	per cent.

LETTER FROM THE BOARD



MASON GROUP HOLDINGS LIMITED 茂宸集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 273)

Executive Directors:

Ms. Han Ruixia
Mr. Zhang Zhenyi

Registered and principal Office:

Room 2101, 21/F, Office Tower,
Convention Plaza, No. 1 Harbour Road,
Wan Chai, Hong Kong

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

4 November 2022

To the Independent Shareholders,

Dear Sir/Madam,

**VOLUNTARY CONDITIONAL CASH OFFER BY OPTIMA CAPITAL LIMITED
AND KINGSTON SECURITIES LIMITED ON BEHALF OF MARVEL BONUS
HOLDINGS LIMITED TO ACQUIRE ALL OF THE ISSUED SHARES OF
MASON GROUP HOLDINGS LIMITED (OTHER THAN THOSE ALREADY
OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

1. INTRODUCTION

The Board announced that on 7 June 2022, it received a letter dated 6 June 2022 from Optima Capital Limited notifying the Board that the Offeror was considering making a voluntary conditional general cash offer through Optima Capital Limited to acquire all the issued Shares other than those already owned by or to be acquired by the Offeror and the parties acting in concert in compliance with the Takeovers Code.

On 10 June 2022, the Offeror published the Offer Announcement setting out details of the Offer and the information and intention of the Offeror.

LETTER FROM THE BOARD

On 13 June 2022, the Company published the announcement pursuant to Rules 3.2 and 3.8 of the Takeovers Code in relation to the Offer.

On 14 September 2022, the Offeror published the Offer Announcement II in relation to, among others, the increase of the offer price to the Revised Offer Price.

On 14 October 2022, the Offeror published the announcement that, among others, all pre-conditions to the Offer as set out in the Offer Announcement have been fulfilled or waived (as the case may be).

The purpose of the Response Document is to provide you with, among other things: (i) information relating to the Group and the Offer; (ii) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in relation to the Offer; and (iii) a letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee in relation to the Offer.

You are advised to read the Response Document, the letter from the Independent Board Committee and the letter from the Independent Financial Adviser in conjunction with the Offer Document carefully before taking any action in respect of the Offer.

2. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee of the Company, comprising all independent non-executive Directors, namely Mr. Tian Ren Can, Mr. Wang Cong, Mr. Wu Xu'an and Mr. Ng Yu Yuet, has been established for the purpose of advising and giving a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer. Reference is made to the announcement of the Company dated 2 August 2022, the Company received a letter from FAL on 28 July 2022, whereby FAL notified the Company its intention not to accept the Offer in the event the Offeror proceeds to make the Offer upon fulfilment (or waiver, if applicable) of the pre-conditions detailed in the Offer Announcement. In this regard, the non-executive Director, Ms. Hui Mei Mei, Carol ("**Ms. Hui**"), who is also a director of FAL and the daughter of Mr. Hui Wing Mau (the sole beneficial owner of FAL), ceased to act as a member of the Independent Board Committee.

In addition, Amasse Capital, with the approval of the Independent Board Committee, has been appointed as the Independent Financial Adviser, to advise the Independent Board Committee as to the fairness and reasonableness of the Offer and as to acceptance of the Offer.

3. THE OFFER

The terms of the Offer as set out in the Offer Document are extracted below. You are recommended to refer to the Offer Document and the Form of Acceptance for further details. The Offer is made on the following basis:

For each Offer Share HK\$0.0311 in cash

LETTER FROM THE BOARD

As disclosed in the Offer Document, The Offer is extended to all Shareholders (including Kingston Securities) in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be (i) fully paid; (ii) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interest of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto (including the right to receive and retain all dividends and other distributions (if any) which may be announced, declared, paid or made thereon by Mason the record date of which falls on or after the date of the Offer Document).

Conditions to the Offer

The Offer is conditional on fulfillment (or waiver, where applicable) of the following conditions:

- (i) the Offeror having received valid acceptances (and, where permitted, such acceptances not having been withdrawn) at or before 4:00 p.m. on the First Closing Date (or such other time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer which will result in the Offeror and parties acting in concert with it holding more than 50% of the Shares;
- (ii) the Shares remaining listed and traded on the Main Board of the Stock Exchange up to the First Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension of trading pending the issuance of any announcement(s) in relation to any inside information of Mason (if any), and no indication having been received on or before the First Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either of the Offer or anything done or caused by or on behalf of the Offeror;
- (iii) no corporate action, agreement, or proposal having been contemplated, implemented or announced in relation to issuance of any new Shares or any convertible securities, warrants or options in respect of any Shares or any similar actions which may have effect on the issued share capital of Mason as at 6 June 2022;
- (iv) no event having occurred which would make the Offer or the acquisition of any of the Offer Shares under the Offer void, unenforceable or illegal or prohibit the implementation of the Offer;
- (v) no Relevant Authority(ies) in any jurisdiction having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offer or the acquisition of any of the Offer Shares under the Offer void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to, the Offer (other than items or events as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offer); and

LETTER FROM THE BOARD

- (vi) subject to Note 2 to Rule 30.1 of the Takeovers Code, save as publicly disclosed by Mason in any of its announcement and circular since 31 December 2021 (being the date of the last audited consolidated financial statements of Mason), there having been no change, effect, fact, event or circumstances which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of the Mason Group as a whole, whether or not arising in the ordinary course of business.

The Offeror reserves the right to waive, in whole or in part, all or any of the above conditions save that conditions in (i) and (iv) cannot be waived.

The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code.

Further details of the Offer

Further details of the Offer including, among others, the expected timetable, the terms and procedures of acceptance of the Offer and settlement of the Offer, are set out in the Offer Document and the Form of Acceptance.

4. INFORMATION OF 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.

Further information of the Group has been set out in "Appendix I – Financial information of the Group" and "Appendix II – General information of the Group" to the Response Document.

5. INFORMATION OF THE OFFEROR

Please refer to the Offer Document for the information on the Offeror.

LETTER FROM THE BOARD

6. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

The information set out below is reproduced from the Offer Document:

“Save for appropriate and necessary measures that would improve the operational and financial performance, as well as the corporate governance of the Mason Group, the Offeror does not intend to introduce any major changes to the existing operations and businesses of the Mason Group upon the close of the Offer, and intends that the Mason Group will continue to operate its existing businesses following the close of the Offer. Nevertheless, the Offeror will conduct a detailed review on the existing businesses and operations and the financial position of the Mason Group for the purpose of formulating business plans and strategies for the Mason Group’s long-term business development and, based on the results of such review, the Offeror will consider and explore business opportunities in areas or industries that the Offeror may consider suitable for the Mason Group. Subject to the results of the review, should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Mason Group will be appropriate in order to enhance its financial performance and growth. Notwithstanding this, as at the Latest Practicable Date, no plans had been made by the Offeror, to: (i) make any major redeployment of assets of the Mason Group; or (ii) discontinue the employment of the employees of the Mason Group (other than in the ordinary course of business) in the event that the Offer has become unconditional in all respects.

As at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Mason Group.”

Although the Offeror currently has no plan to terminate the employment of any employees of the Group, the Offeror and the Board had not had any discussion on the long-term strategic and development plan on the Group and the Offeror failed to outline any concrete and detailed plan other than the abovementioned generic statements. In the absence of any concrete plan from the Offeror in the Offer Document for the business of the Group, the Board is concerned that the existing management may not be convinced that the business strategy to be formulated by the Offeror would be in the best interests of the Company and the Shareholders.

7. MAINTAINING THE LISTING STATUS OF THE COMPANY

The information set out below is reproduced from the Offer Document:

“Should the Offeror become the majority shareholder of Mason after the close of the Offer, the Offeror intends to maintain the listing status and the public float of Mason in compliance with the Listing Rules.

The Stock Exchange has stated that if, at the close of the Offer, less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of Shares; or*

LETTER FROM THE BOARD

(ii) *there are insufficient Shares in public hands to maintain an orderly market,*

then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

Mr. Yam, the sole director of the Offeror, has undertaken to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that sufficient public float exists in the Shares after the close of the Offer. The Offeror will issue a separate announcement as and when necessary in this regard.”

8. COMPULSORY ACQUISITION

The information set out below is reproduced from the Offer Document:

“The Offeror intends to avail itself of the powers of compulsory acquisition of any Shares outstanding and not acquired by it under the Offer after the close of the Offer.”

9. RECOMMENDATION AND ADDITIONAL INFORMATION

References are made to the announcements of the Company dated 2 August 2022 and 5 September (the “**Announcements**”), in relation to (among others), the Company received (i) on 28 July 2022, the letter from FAL, a substantial Shareholder, whereby FAL notified the Company its intention not to accept the Offer; and (ii) on 8 August 2022 and 26 August 2022, the Company received two emails from Investment Talent Limited, another substantial shareholder of the Company) regarding its intention of not accepting the Offer, with the reasons as set out in the Announcements, respectively. The intentions of not accepting the Offer as set out in the Announcements were made prior to the Offer Announcement II, regarding, among others, the increase of the offer price from HK\$0.0265 per Offer Share to HK\$0.0311 per Offer Share. As at the Latest Practicable Date, the Company has received no further notification from FAL or Investment Talent Limited, and the Company is not aware of whether FAL or Investment Talent Limited have changed their respective intention to the Offer after the increase of the offer price from HK\$0.0265 per Offer Share to HK\$0.0311 per Offer Share as set out in the Offer Announcement II.

Your attention is drawn to (i) the “Letter from the Independent Board Committee” on pages 11 to 12 of the Response Document, which sets out its recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer; and (ii) the “Letter from the Independent Financial Adviser” on pages 13 to 39 of the Response Document, which sets out its advice and recommendation to the Independent Board Committee in relation to the Offer and the principal factors considered by it in arriving at its recommendation.

The Independent Financial Adviser is of the view that the terms of the Offer are **NOT FAIR AND REASONABLE** so far as the Independent Shareholders are concerned and accordingly recommend the Independent Board Committee to advise the Independent Shareholders **NOT TO ACCEPT** the Offer.

LETTER FROM THE BOARD

Having considered the terms of the Offer and the advice from the Independent Financial Adviser, the Independent Board Committee considers that the terms of the Offer are **NOT FAIR AND REASONABLE** so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders **NOT TO ACCEPT** the Offer.

Your attention is also drawn to the additional information set out in the appendices to the Response Document. You are also recommended to read carefully the Offer as set out in the Offer Document and the Form of Acceptance which contain details of the Offer before deciding whether or not to accept the Offer.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



MASON GROUP HOLDINGS LIMITED
茂宸集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 273)

4 November 2022

To the Independent Shareholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL CASH OFFER BY OPTIMA CAPITAL LIMITED
AND KINGSTON SECURITIES LIMITED ON BEHALF OF MARVEL BONUS
HOLDINGS LIMITED TO ACQUIRE ALL OF THE ISSUED SHARES OF
MASON GROUP HOLDINGS LIMITED (OTHER THAN THOSE ALREADY
OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

We refer to the offer document dated 21 October 2022 issued by the Offeror (the “**Offer Document**”) and the response document dated 4 November 2022 issued by the Company (the “**Response Document**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Response Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof.

Amasse Capital has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the Offer and its terms and conditions. Your attention is drawn to the “Letter from the Independent Financial Adviser” set out on pages 13 to 39 of the Response Document which contains the details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offer.

We also wish to draw your attention to the section headed “Letter from the Board” and the additional information set out in the Response Document including the appendices and the Offer Document and the accompanying Form of Acceptance in respect of the terms of the Offer and the acceptance and settlement procedures for the Offer.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Taking into account the terms of the Offer and the independent advice from the Independent Financial Adviser, and the principal factors and reasons taken into account in arriving at its recommendation, we consider that the terms of the Offer are **NOT Fair and Reasonable** so far as the Independent Shareholders are concerned, accordingly, we recommend the Independent Shareholders **NOT to Accept** the Offer.

Independent Shareholders are recommended to read the full text of the “Letter from Independent Financial Adviser” in the Response Document. Notwithstanding our recommendation, the Independent Shareholders should consider carefully the terms and conditions of the Offer.

Yours faithfully,
The Independent Board Committee
Manson Group Holdings Limited

Mr. Tian Ren Can

Mr. Wang Cong

Mr. Wu Xu'an

Mr. Ng Yu Yuet

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Amasse Capital Limited, the Independent Financial Adviser to the Independent Board Committee in respect of the Offer for the purpose of inclusion in this Response Document.

AMASSE CAPITAL
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4 November 2022

To the Independent Board Committee

Dear Sirs,

**VOLUNTARY CONDITIONAL CASH OFFER BY
OPTIMA CAPITAL LIMITED AND KINGSTON SECURITIES LIMITED
ON BEHALF OF MARVEL BONUS HOLDINGS LIMITED
TO ACQUIRE ALL OF THE ISSUED SHARES OF
MASON GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR AGREED TO BE ACQUIRED BY THE OFFEROR
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Offer. Details of the Offer are set out in the letter from the Board to the Shareholders (the “**Letter from the Board**”) enclosed in the Response Document dated 4 November 2022, of which this letter forms a part. Capitalised terms used in this letter shall have the same meanings as those defined in the Response Document unless the context otherwise requires.

On 7 June 2022, the Board received a letter dated 6 June 2022 from Optima Capital Limited notifying the Board that the Offeror was considering to make a voluntary conditional cash offer to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it). On 10 June 2022, the Offeror published the Offer Announcement setting out details of the Offer, including the offer price, the information and intention of the Offeror. On 14 September 2022, the Offeror published the Offer Announcement II announcing, among others, the increase of the offer price to the Revised Offer Price. On 21 October 2022, the Offeror published the Offer Document setting out further details of the Offer, accompanied with the Form of Acceptance. According to Rule 8.4 of the Takeovers Code, the Company is required to respond within 14 days from the posting of the Offer Document unless the Executive consents to a later date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The 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 which has been established to make a recommendation to the Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable as far as the Shareholders are concerned, and whether the Shareholders should, or should not, accept the Offer. Reference is made to the announcement of the Company dated 2 August 2022, the Company received a letter from FAL on 28 July 2022, whereby FAL notified the Company its intention not to accept the Offer in the event the Offeror proceeds to make the Offer upon fulfilment (or waiver, if applicable) of the pre-conditions detailed in the Offer Announcement. In this regard, the non-executive Director, Ms. Hui Mei Mei, Carol ("**Ms. Hui**"), who is also a director of FAL and the daughter of Mr. Hui Wing Mau (the sole beneficial owner of FAL), ceased to act as a member of the Independent Board Committee.

We, Amasse Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this respect, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offer pursuant to Rule 2.1 of the Takeovers Code. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee.

OUR INDEPENDENCE

As at the Latest Practicable Date, apart from the existing engagement in connection with the Offer, we do not and did not have any relationship (business, financial or otherwise) that amounted to a significant connection (as referred to in Rule 2.6 of the Takeovers Code) with the Company or the Offeror within the past two years for us of a kind necessary likely to create, or to create the perception of, a conflict of interest for us or which is reasonably likely to affect the objectivity of our advice.

BASIS OF OUR OPINION

In formulating our opinions and recommendation, we have reviewed, among others, the annual reports of the Company for the years ended 31 December 2020 and 2021 (the "**2020 Annual Report**" and the "**2021 Annual Report**", respectively), the interim report of the Company for the six months ended 30 June 2022 (the "**2022 Interim Report**"), the Offer Announcement, the Offer Announcement II, the Offer Document and the Response Document. We have relied on the accuracy of the information and facts contained or referred to in the Offer Document, the Response Document and provided to us by the Directors. We have assumed that all information and representations contained or referred to in the Offer Document, the Response Document and/or provided to us were true and accurate at the time when they were made and continue to be true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the date of despatch of the Response Document. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Response Document were reasonably made after due enquiries and considerations. We have no reasons to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have reviewed sufficient information to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Response Document and to provide a reasonable basis for our opinion and recommendation. The Directors have declared in a responsibility statement set out in the Appendix II to the Response Document that they jointly and severally accept full responsibility for the accuracy of the information contained in the Response Document. We have not, however, carried out any independent verification of the information provided by the Company and the Directors, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of the Group. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Offer.

In formulating our opinions, we have not considered the tax implication on the Shareholders arising from acceptances or non-acceptances of the Offer as these are particular to their individual circumstances. It is emphasised that we will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Offer. In particular, the Shareholders who are residents outside Hong Kong or subject to overseas tax or Hong Kong taxation on securities dealings should consider their own tax position, and if in any doubt, should consult their own professional advisers.

In formulating our opinions, our opinions are necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of the Latest Practicable Date. The Shareholders will be informed should there be any material changes to the information contained or referred to herein and our opinion as soon in accordance with Rule 9.1 of the Takeovers Code.

This letter is issued for the Shareholders solely in respect of the Offer and, except for its inclusion in the Response Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

THE TERMS OF THE OFFER

The Offer, which is conditional on the satisfactory or waiver of the conditions as set out in the paragraph headed "Conditions to the Offer" below, is made by Optima Capital Limited and Kingston Securities Limited for and on behalf of the Offeror in compliance with the Takeovers Code. The Revised Offer Price is HK\$0.0311 per Share in cash.

The Offer is extended to all Shares in issue on the date of which the Offer is made, being the date of the Offer Document, other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it. According to the Offer Document, as at 18 October 2022 (being the latest practicable date for the Offer Document), save for Kingston Securities Limited, one of the joint securities advisers and a financier of the Offeror in respect of the Offer, held 1,122 Shares, the Offeror and parties acting in concert with it are not interested in any Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Conditions to the Offer

The Offer is conditional on the satisfaction or waiver of the following conditions:

- (i) the Offeror having received valid acceptances (and, where permitted, such acceptances not having been withdrawn) at or before 4:00 p.m. on the First Closing Date (or such other time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer which will result in the Offeror and parties acting in concert with it holding more than 50% of the Shares;
- (ii) the Shares remaining listed and traded on the Main Board of the Stock Exchange up to the First Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension of trading pending the issuance of any announcement(s) in relation to any inside information of the Company (if any) and no indication having been received on or before the First Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either of the Offer or anything done or caused by or on behalf of the Offeror;
- (iii) no corporate action, agreement, or proposal having been contemplated, implemented or announced in relation to issuance of any new Shares or any convertible securities, warrants or options in respect of any Shares or any similar actions which may have effect on the issued share capital of the Company as at 6 June 2022;
- (iv) no event having occurred which would make the Offer or the acquisition of any of the Offer Shares under the Offer void, unenforceable or illegal or prohibit the implementation of the Offer;
- (v) no Relevant Authority(ies) in any jurisdiction having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offer or the acquisition of any of the Offer Shares under the Offer void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to the Offer (other than such items or events as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offer); and
- (vi) subject to Note 2 to Rule 30.1 of the Takeovers Code, save as publicly disclosed by the Company in any of its announcement and circular since the date of the last audited consolidated financial statements of the Company, there having been no change, effect, fact, event or circumstances which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of the Group as a whole, whether or not arising in the ordinary course of business.

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The Offeror reserves the right to waive, in whole or in part, all or any of the above conditions save that conditions in (i) and (iv) cannot be waived. As disclosed in the Offer Document, in any event, the Offeror does not intend to waive the fulfillment of condition (v) under the Offer.

The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code.

As at the Latest Practicable Date, none of the above conditions have been fulfilled, satisfied, or waived, as applicable.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinions, we have taken into consideration the following principal factors and reasons:

1. Information and financial performance of 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.

Set out below is a summary of the consolidated financial information on the Group's operations for each of the three years ended 31 December 2019, 2020 and 2021 ("FY2019", "FY2020" and "FY2021", respectively) and the six months period ended 30 June 2021 and 2022 ("6M2021" and "6M2022", respectively) as extracted from the 2020 Annual Report, the 2021 Annual Report and the 2022 Interim Report.

	For the year ended 31 December			For the six months ended 30 June	
	2021 HK\$' 000 (audited)	2020 HK\$' 000 (audited)	2019 HK\$' 000 (audited)	2022 HK\$' 000 (unaudited)	2021 HK\$' 000 (unaudited)
Turnover	4,012,509	1,274,364	2,686,848	609,708	1,860,151
Operating income	604,426	528,955	1,651,972	77,994	334,602
Loss before taxation	(736,394)	(187,122)	(1,200,927)	(124,073)	(22,732)
Loss attributable to the equity holders of the Company	(733,623)	(140,711)	(1,149,856)	(121,303)	(29,127)

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	As at 30 June 2022 <i>HK\$'000</i> <i>(unaudited)</i>	As at 31 December 2021 <i>HK\$'000</i> <i>(audited)</i>	As at 31 December 2020 <i>HK\$'000</i> <i>(audited)</i>	As at 31 December 2019 <i>HK\$'000</i> <i>(audited)</i>
Total assets	4,526,109	4,806,748	6,926,057	7,791,129
Total liabilities	329,620	392,572	1,525,175	2,521,447
Current Assets	2,914,011	3,039,138	3,756,262	4,046,165
Current Liabilities	252,630	314,021	1,467,370	2,077,792
Net assets	4,196,489	4,414,176	5,400,882	5,269,682
Equity attributable to equity holders of the Company	4,149,192	4,364,787	5,189,564	5,001,689
Debt Ratio	7.3%	8.2%	22.0%	32.4%
Current Ratio	1,153.5%	967.8%	256.0%	194.7%

As advised by the Company, the Group's various business segments were mainly derived from acquisitions before 2020. Following with a new management team joined the Group to replace all the ex-executive directors of the Company in early 2020, the Group conducted business restructuring including but not limited to slowing down the continuous expansion of the non-profitable businesses and terminating further capital contribution to non-controlling assets and companies. Meanwhile, the Group and the new management team conducted a comprehensive and prudent assessment of all business units based on their actual operation, and thus significant impairment provisions were made on these business units. The aforesaid business restructuring was conducted to better reallocating the resources of the Group from non-profitable business segments and non-controlling assets and companies of the Group to other performing and/or business segments with potential. However, such business restructuring resulted in significant impairments recorded in FY2020 and FY2021 which affected the financial performance of the Group for such years.

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Financial performance for the six months ended 30 June 2022

For 6M2022, the Group recorded a turnover of approximately HK\$609.7 million, representing a decrease of approximately 67.2% as compared to that of approximately HK\$1,860.2 million for 6M2021 and the operating income of the Group was approximately HK\$78.0 million for 6M2022, representing a decrease of approximately 76.7% as compared to that of approximately HK\$334.6 million for 6M2021. The decrease in turnover and operating income was mainly due to (i) adverse effects on global business activities due to Coronavirus Disease (the “COVID-19”) pandemic worldwide; (ii) Hang Seng Index (“HSI”) has dropped from the close of 23,397 points as at 31 December 2021 to 21,859 points as at 30 June 2022; (iii) the increase of interest rates by the Federal Reserve of the United States of America started from March 2022 to combat high inflation; and (iv) the broken out of war between Russia and Ukraine on February 2022, which led to uncertainties to global economy (including Hong Kong). Such fragile global economy deeply affected the performance in business segments of trading of securities and provision of wealth and asset management, financial brokerage and related services.

The loss attributable to the equity holders of the Company was approximately HK\$121.3 million for 6M2022, representing an increase of approximately 4.2 times as compared to that of approximately HK\$29.1 million for 6M2021 due to (i) the effect of the decrease in turnover and operating income as mentioned above; and (ii) offsetting by (x) the proportionate decrease in variable operating expenses such as commission and brokerage expenses, as well as reduction in other operating expenses resulting from the cost cutting measures adopted by the Group, and (y) the absence of impairment loss on property, plant and equipment incurred in 2022 on Mason Privatbank Liechtenstein AG, an indirect wholly-owned subsidiary of the Company, which is in the process of voluntary liquidation.

Financial performance for the year ended 31 December 2021

For FY2021, the Group recorded a turnover of approximately HK\$4,012.5 million, representing an increase of approximately 3.1 times as compared to that of approximately HK\$1,274.4 million for FY2020 and the operating income of the Group was approximately HK\$604.4 million for FY2021, representing an increase of approximately 14.3% as compared to that of approximately HK\$529.0 million for FY2020. The increase in turnover and operating income was mainly due to the increased turnover and operating income generated from wealth and asset management, financial brokerage, and trading of securities investments.

The loss attributable to the equity holders of the Company was approximately HK\$733.6 million for FY2021, representing an increase of approximately 4.2 times as compared to that of approximately HK\$140.7 million for FY2020 due to impairment loss on financial assets for expected credit loss of HK\$205.5 million (FY2020: HK\$67.2 million), impairment loss on property, plant and equipment of HK\$77.5 million (FY2020: nil), impairment loss on investment in associates of HK\$194.51 million (FY2020: HK\$191.35 million) and net fair value loss on financial instruments of HK\$210.4 million (FY2020: gain of HK\$107.3 million).

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Financial performance for the year ended 31 December 2020

For FY2020, the Group recorded a turnover of approximately HK\$1,274.4 million, representing a decrease of approximately 52.6% as compared to that of approximately HK\$2,686.8 million for FY2019 and the operating income of the Group was approximately HK\$529.0 million for FY2020, representing a decrease of approximately 68.0% as compared to that of approximately HK\$1,652.0 million for FY2019. The decrease in turnover and operating income was mainly due to deconsolidation of the AYD Group Limited and its subsidiaries (“**AYD Group**”) from the second half of 2019, as a result of the disposal of part of share interest in AYD Group in June 2019. Since then, AYD Group ceased as a subsidiary of the Group and was accounted for as an associate of the Group.

The loss attributable to the equity holders of the Company was approximately HK\$140.7 million for FY2020, representing a decrease of approximately 87.8% as compared to that of approximately HK\$1,149.9 million for FY2019 due to impairment loss on financial assets for expected credit loss of HK\$67.2 million (FY2019: HK\$165.5 million), impairment loss on goodwill and intangible assets totaling HK\$99.6 million (FY2019: HK\$545.0 million), and impairment loss on interests in associates of HK\$191.4 million (FY2019: HK\$487.1 million).

Financial position as at 30 June 2022

The total assets of the Group was approximately HK\$4,526.1 million as at 30 June 2022, representing a decrease of 5.8% as compared to that of approximately HK\$4,806.7 million as at 31 December 2021.

The total liabilities of the Group was approximately HK\$329.6 million as at 30 June 2022, representing a decrease of 16.0% as compared to that of approximately HK\$392.6 million as at 31 December 2021.

As at 30 June 2022, the net asset of the Group decreased approximately 4.9% from approximately HK\$4,414.2 million as at 31 December 2021 to approximately HK\$4,196.5 million. As at 30 June 2022, the equity attributable to equity holders of the Company decreased approximately 4.9% from approximately HK\$4,364.8 million as at 31 December 2021 to approximately HK\$4,149.2 million.

As shown in the table able, the total assets of the Group as at 30 June 2022 were composed of approximately 64.4% current assets and 35.6% non-current assets. Under the continuous effort and leadership of the Board members, in particular Ms. Han Ruixia and Mr. Zhang Zhenyi who were appointed as executive Directors in early 2020, the debt ratio (“**Debt Ratio**”), i.e. total liabilities divided by total assets, and the current ratio (the “**Current Ratio**”), i.e. current assets divided by current liabilities, of the Group have been improved. The Debt Ratio of the Group was decreased from approximately 32.4% as at 31 December 2019 to 22.0% as at 31 December 2020, and further decreased to 8.2% and 7.3% as at 31 December 2021 and 30 June 2022 respectively. The Current Ratio of the Group was increased from approximately 194.7% as at 31 December 2019 to 256.0% as at 31 December

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2020, and further increased to 967.8% and 1,153.5% as at 31 December 2021 and 30 June 2022. In view of the improvement on the Debt Ratio and the Current Ratio of the Group since 2019, the financial position of the Group remained healthy, strong and extremely liquid.

2. Market Prospects

The Group's operation is mainly carried out in Hong Kong, as stated in the 2022 Interim Report, due to Hong Kong's economy suffers contraction as the prolonged COVID-19 pandemics hammered key drivers of growth, such as tourism and consumption, the resulting range of social distancing and quarantine measures implemented to reduce the COVID-19 spread have placed significant challenge on the Group's business model in respect of each of its core business, in particular, where the Group's financial services and healthcare businesses need to face customers directly, when quite some customers are also based outside Hong Kong.



As shown in chart above, the HSI was closed at 28,190 points as at 31 December 2019 and closed at 27,231 points as at 31 December 2020. The HSI further recorded a loss of 3,834 points or approximately 14% on a year-on-year basis to close at 23,397 points as at 31 December 2021. As at 30 September 2022, the HSI closed at 17,222 points and recorded a loss of 6,175 points or representing a decrease of approximately 26% when compared to the closing recorded as at 31 December 2021. As at the Latest Practicable Date, the HSI was further dropped to around 15,000 points. In view of above, the Hong Kong stock market was still lacklustre in general.

Having considered that the COVID-19 has yet to be ended and the Hong Kong stock market was still lacklustre, we believe the business and operation environments of the Group will remain challenging.

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3. Information on the Offeror

The Offeror is a company incorporated in the BVI with limited liability. It is principally engaged in investment holding. The sole shareholder of the Offeror is Integrated Asset Management (Asia) Ltd., which is a company wholly and beneficially owned by Mr. Yam Tak Cheung (“**Mr. Yam**”). Mr. Yam is also the sole director of the Offeror.

4. Intention of the Offeror in respect of the Group

As set out in the Offer Document, save for appropriate and necessary measures that would improve the operational and financial performance, as well as the corporate governance of the Group, the Offeror does not intend to introduce any major changes to the existing operations and businesses of the Group upon the close of the Offer, and intends that the Group will continue to operate its existing businesses following the close of the Offer. Nevertheless, the Offeror will conduct a detailed review on the existing businesses and operations and the financial position of the Group for the purpose of formulating business plans and strategies for the Group’s long-term business development and, based on the results of such review, the Offeror will consider and explore business opportunities in areas or industries that the Offeror may consider suitable for the Group. Subject to the results of the review, should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its financial performance and growth. Notwithstanding this, as at the latest practicable date of the Offer Document, no plans had been made by the Offeror, to: (i) make any major redeployment of assets of the Group; or (ii) discontinue the employment of the employees of the Group (other than in the ordinary course of business) in the event that the Offer has become unconditional in all respects.

As set out in the Offer Document, as at the latest practicable date of the Offer Document, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

As set out in the Offer Document, should the Offeror become the majority shareholder of the Company after the close of the Offer, the Offeror intends to nominate such number of new directors to, and so would constitute the majority of, the Board for appointment as soon as practicable. It is also the Offeror intention to proposed that Mr. Yam would be appointed as an executive Director and Chairman of the Board and a professional chief executive officer would also be appointed to the Board.

We note that the Offeror intends to maintain the listing status of the Shares, details of which are set out in the paragraph headed “MAINTAINING THE LISTING STATUS OF MASON” in the Offer Document.

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5. Revised Offer Price

The Revised Offer Price of HK\$0.0311 per Offer Share represents:

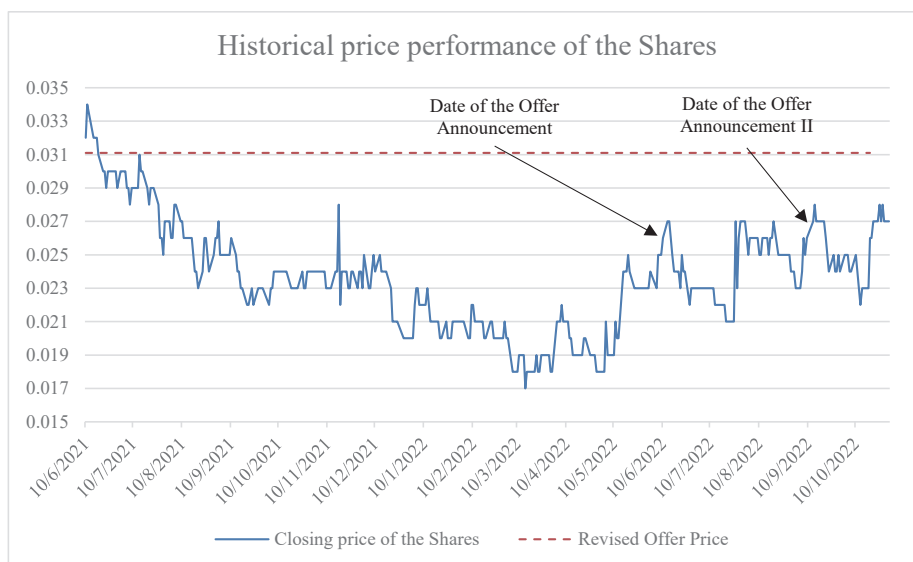
- (i) a premium of 19.6% over the closing price of HK\$0.026 per Share as quoted on the Stock Exchange on 10 June 2022, being the last trading day prior to the date of the Offer Announcement;
- (ii) a premium of approximately 15.2% over the closing price of HK\$0.027 per Share as quoted on the Stock Exchange on 13 September 2022 (the “**Pre-Revised Last Trading Day**”), being the last trading day prior to the date of the Offer Announcement II;
- (iii) a premium of approximately 21.5% over the average of the closing prices of the Shares as quoted on the Stock Exchange over the five trading days up to and including the Pre-Revised Last Trading Day of approximately HK\$0.0256 per Share;
- (iv) a premium of approximately 26.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange over the 10 trading days up to and including the Pre-Revised Last Trading Day of approximately HK\$0.0246 per Share;
- (v) a premium of 23.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 trading days up to and including the Pre-Revised Last Trading Day of approximately HK\$0.0252 per Share;
- (vi) a premium of approximately 30.1% over the average of the closing prices of the Shares as quoted on the Stock Exchange over the last 90 trading days up to and including the Pre-Revised Last Trading Day of approximately HK\$0.0239 per Share;
- (vii) a premium of approximately 41.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange over the last 180 trading days up to and including the Pre-Revised Last Trading Day of approximately HK\$0.0220 per Share;
- (viii) a premium of approximately 15.2% over the closing price of HK\$0.027 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ix) a discount of approximately 68.4% to the audited consolidated net asset value attributable to Shareholders of approximately HK\$0.0984 per Share as at 31 December 2021 (calculated based on the audited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$4,364,787,000 as at 31 December 2021 as extracted from the 2021 Annual Report and 44,364,885,557 Shares (being the number of Shares in issue as at 31 December 2021));

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- (x) a discount of approximately 66.7% to the unaudited consolidated net asset value attributable to Shareholders of approximately HK\$0.0935 per Share as at 30 June 2022 (calculated based on the unaudited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$4,149,192,000 as at 30 June 2022 as extracted from the 2022 Interim Report and 44,364,885,557 Shares (being the number of Shares in issue as at 30 June 2022); and
- (xi) a discount of approximately 41.9% to the unaudited Cash Value (as defined below) per Share as at 30 June 2022 of approximately HK\$0.0535 per Share as calculated in the section headed “7. Our analysis and view on the Cash Value of the Shares” below.

Historical price performance of the Shares

Set out below is a chart showing the movement of the closing prices of the Shares during the period from 10 June 2021 up to the Latest Practicable Date (the “**Review Period**”), which covers an approximate one-year period prior to the date of the Offer Announcement and the period up to the Latest Practicable Date, to illustrate the general trend and level of movement of the closing prices of the Shares.



As shown in chart above, the closing price of the Shares during the Review Period ranges from the lowest closing price of approximately HK\$0.017 per Share recorded on 15 March 2022 to the highest closing price of approximately HK\$0.034 per Share recorded on 11 June 2021 respectively with an average closing price per Share of approximately HK\$0.0237.

The closing prices of the Shares are in general at a downward trend since 11 June 2021 and reach the lowest price on 15 March 2022. The closing prices of the Shares fluctuated in a range of between HK\$0.017 to HK\$0.034 before the date of the Offer Announcement. The closing prices of the Shares fluctuated in a range of between HK\$0.021 to HK\$0.028 between the date of the Offer Announcement and the Offer Announcement II.

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Immediately after the date of the Offer Announcement II and to the Latest Practicable Date (the “**Post-announcement Period**”), the closing price of the Shares fluctuated in a range of between HK\$0.022 to HK\$0.028.

We noted that the Revised Offer Price had been higher than the daily closing prices for 340 out of 345 trading days during the Review Period. The Revised Offer Price of HK\$0.0311 represents a premium of approximately 82.9% over the lowest closing price per Share, a discount of 8.5% to the highest closing price per Share and a premium of approximately 31.2% over the average closing price per Share during the Review Period, respectively.

Nevertheless, we also noted that the daily closing prices of the Shares have been rebounded and in general upward trend since 15 March 2022 at the closing price of HK\$0.017 and closed at HK\$0.027 as at the Latest Practicable Date, representing an improvement of approximately 58.8%.

Historical trading liquidity of the Shares

The number of trading days, the average daily number of the Shares traded per month (the “**Average Volume**”), and the respective percentages of the Average Volume as compared to the total number of issued Shares during the Review Period are tabulated as below:

Month	Number of trading days in each month <i>Number of days</i>	Average Volume <i>in Shares</i>	Percentage of the Average Volume to total number of issued Shares as at the end of each respective month %
2021			<i>(Note)</i>
June	14	33,067,356	0.075%
July	21	3,627,749	0.008%
August	22	2,306,637	0.005%
September	21	2,419,556	0.005%
October	18	2,659,996	0.006%
November	22	122,458,557	0.276%
December	22	23,426,814	0.053%

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Month	Number of trading days in each month <i>Number of days</i>	Average Volume <i>in Shares</i>	Percentage of the Average Volume to total number of issued Shares as at the end of each respective month <i>%</i> <i>(Note)</i>
2022			
January	21	4,170,920	0.009%
February	17	1,753,398	0.004%
March	23	2,838,537	0.006%
April	18	4,994,888	0.011%
May	20	6,312,171	0.014%
June	21	11,877,942	0.027%
July	20	185,554,575	0.418%
August	23	6,772,547	0.015%
September	21	11,048,375	0.025%
October	20	13,568,252	0.031%
November (up to and including the Latest Practicable Date)	1	3,620,000	0.008%

Note: The calculation is based on the Average Volume divided by the total number of issued Shares at the end of each month during the Review Period (or at the Latest Practicable Date for November 2022).

As illustrated above, during the Review Period, the Average Volume was ranging from 0.004% to 0.418% for the total number of issued Shares as at the end of each respective month (or at the Latest Practicable Date for November 2022). For the whole Review Period, the Average Volume was around 0.058% of total number of issued Shares and we therefore consider the trading liquidity of the Shares is relatively low.

Based on the above, we are of the view that the trading liquidity of the Shares have been thin during the entire Review Period and thus the Shareholders should be mindful as to whether there will be sufficient liquidity in the Shares for those who wish to realise part or all of their investment in the Company at the prevailing market price of the Shares and whether their disposal of Shares will exert a downward pressure on the market prices of the Shares. In such circumstance, the Offer may represent an alternative exit for the Shareholders with significant shareholding in the Company to realise their investments in the Company. They are therefore strongly advised to carefully and closely monitor the market price and liquidity of the Shares during the Offer Period if they wish to dispose of part or all of their Shares.

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Comparison with other comparable companies

In assessing the fairness and reasonableness of the Revised Offer Price, it is a general practice to make reference to other comparable companies. We attempt to carry out a comparable analysis with the price-to-earnings ratio (“**PER**”) and price-to-book ratio (“**PBR**”) which is the most commonly used benchmarks in valuing a company as the data for calculating the ratios can be obtained fairly and directly from publicly available information and reflect the value of the companies determined by the open market. However, since the Group had been recorded net losses since year ended 31 December 2019 for three consecutive years, therefore the Group is not appropriate for PER comparison purpose.

As stated in the 2021 Annual Report, the operating income of the Group for the two years ended 31 December 2021 were mainly recognised from (i) the brokerage commission income from securities dealing, insurance and underwriting and placing; and (ii) interest income from financing services in Hong Kong. Therefore, we have selected companies based on the following criteria: (i) principally engaged in the business in relation to provision of brokerage services and financing services in Hong Kong for at least 50% to the total revenue; (ii) the main revenue streams are retrieved from Hong Kong that are similar to the Target Group; and (iii) currently listed on the Stock Exchange. We found 20 Hong Kong listed companies (the “**Market Comparables**”) which meet the said criteria and they are exhaustive as far as we are aware of and using best endeavour. Shareholders should note that the businesses, the market capitalisation, operations and prospects of the Group are not exactly the same as the Market Comparables.

In order to assess the market value to the cash value of the Market Comparables and the Offer, we have also performed the price-to-cash value ratio (“**PCVR**”) analysis on the Market Comparables. The cash value used in the calculation of the PCVRs of the Market Comparables comprised of (i) the bank balances and cash; and (ii) the short-term investments (including the financial assets at fair value through profit or loss) as shown on the latest financial statements of the Market Comparables.

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Set out below are the PBRs and PCVRs of the Market Comparables based on their respective market capitalization as at the Latest Practicable Date and their respective latest published financial information:

Stock Code	Company Name	Principal business	Market Capitalisation (Approximately HK\$)	PBR	PCVR
64	Get Nice Holdings Ltd	Get Nice Holdings Ltd is principally engaged in financial businesses.	1,459,068,597	0.25	0.70
139	Central Wealth Group Holdings Limited	Central Wealth Group Holdings Limited is principally engaged in the financial investments and services.	686,694,970	0.63	2.22
290	China Fortune Financial Group Ltd	China Fortune Financial Group Ltd is principally engaged in securities brokerage and margin financing.	225,153,116	0.91	1.15
821	Value Convergence Holdings Limited	Value Convergence Holdings Limited is principally engaged in the provision of financial services.	363,755,280	0.42	0.78
1031	Kingston Financial Group Ltd	Kingston Financial Group Ltd is mainly engaged in the financial services business.	3,880,126,990	0.19	11.51
1225	Lerado Financial Group Company Limited	Lerado Financial Group Company Limited is principally engaged in securities brokerage, money lending, the manufacture and sales of medical products and plastic toys business.	39,385,133	0.04	0.15
1428	Bright Smart Securities & Commodities Group Ltd.	Bright Smart Securities & Commodities Group Ltd. is principally engaged in the provision of financial services.	1,934,917,791	0.78	3.37

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Stock Code	Company Name	Principal business	Market Capitalisation (Approximately HK\$)	PBR	PCVR
1469	Get Nice Financial Group Limited	Get Nice Financial Group Limited is mainly engaged in the securities margin financing and brokerage services.	1,775,000,000	0.41	1.45
2263	Fu Shek Financial Holdings Limited	Fu Shek Financial Holdings Limited is principally engaged in the provision of financial services.	130,000,000	0.38	1.25
2680	Innovax Holdings Limited	Innovax Holdings Limited is mainly engaged in the provision of brokerage and financing services.	80,000,000	0.39	0.70
8001	Orient Securities International Holdings Limited	Orient Securities International Holdings Limited is principally engaged in the provision of brokerage service, underwriting and placing service, margin financing service and money lending service.	26,438,400	0.07	3.17
8029	Imperium Financial Group Ltd	Imperium Financial Group Ltd is a mainly engaged in the provision of financial services.	456,850,954	6.65	5.34
8063	Global Mastermind Holdings Limited	Global Mastermind Holdings Limited is engaged in money lending, securities brokerage, the provision of travel related products and travel agency services.	30,136,831	0.10	0.68

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Stock Code	Company Name	Principal business	Market Capitalisation (Approximately HK\$)	PBR	PCVR
8098	CL Group (Holdings) Ltd.	CL Group (Holdings) Ltd. is principally engaged in brokering services and margin financing business.	85,800,000	0.43	1.72
8210	DLC Asia Limited	DLC Asia Limited is principally engaged in the provision of derivatives brokerage services in Hong Kong.	22,400,000	0.27	0.43
8221	PF Group Holdings Limited	PF Group Holdings Limited is principally engaged in the provision of securities dealing and brokerage service; placing and underwriting service; financing service including securities and initial public offering (IPO) margin financing, and asset management services.	88,000,000	0.57	0.91
8226	KOALA Financial Group Ltd.	KOALA Financial Group Ltd. is principally engaged in securities investment; provision of securities placing, underwriting and brokerage services, and margin financing; leasing of investment properties and money lending business.	125,251,197	0.38	0.55
8333	RaffAello-Astrum Financial Holdings Ltd	RaffAello-Astrum Financial Holdings Ltd is principally engaged in the provision of securities dealing, brokerage services, financing services, placing and underwriting services.	78,720,000	0.41	1.32

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Stock Code	Company Name	Principal business	Market Capitalisation (Approximately HK\$)	PBR	PCVR
8350	Excalibur Global Financial Holdings Limited	Excalibur Global Financial Holdings Limited is mainly engaged in the provision of futures broking services.	104,000,000	19.04	12.47
8540	Victory Securities (Holdings) Company Limited	Victory Securities (Holdings) Company Limited is principally engaged in the provision of securities broking services.	400,084,000	1.89	8.06
			The Offer	0.33	0.58
			Maximum	19.04	12.47
			Minimum	0.04	0.15
			Median	0.41	1.29

Notes:

1. The PBR of the Market Comparables were calculated based upon their respective market capitalization as at the Latest Practicable Date and divided by the equity attributable to the owners of the respective companies disclosed in the respective latest financial reports.
2. The implied PBR of the Offer was calculated based upon the Revised Offer Price multiplied by total number of issued Shares of 44,364,885,557 as at the Latest Practicable Date and then divided by the unaudited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$4,149,192,000 as at 30 June 2022 as extracted from the 2022 Interim Report.
3. The implied PCVR of the Offer was calculated based upon the Revised Offer Price multiplied by total number of issued Shares of 44,364,885,557 as at the Latest Practicable Date and then divided by the unaudited Cash Value of the Company as calculated in the section headed "7. Our analysis and view on the Cash Value of the Shares" below.

As depicted from the above table, the PBR of the Market Comparables ranged from approximately 0.04 times to approximately 19.04 times, with a median of approximately 0.41 times. Accordingly, the implied PBR of the Offer of approximately 0.33 times is lower than the median of the PBR of the Market Comparables.

The PCVR of the Market Comparables ranged from approximately 0.15 times to approximately 12.47 times, with a median of approximately 1.29 times. Accordingly, the implied PCVR of the Offer of approximately 0.58 times is lower than the median of the PCVRs of the Market Comparables.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6. Voluntary conditional cash offer precedents in Hong Kong

We have compared the Offer with all proposed voluntary conditional cash offer (the “VGO Comparables”) of companies listed on the Stock Exchange during the Review Period. The selection criteria have been adopted because (i) the VGO Comparables, in our view, provides a general overview of the pricing of the recent similar transactions; and (ii) the sample size is sufficiently large to arrive at a meaningful illustration. The VGO Comparables represent an exhaustive list of voluntary conditional cash offer proposals meeting the said criteria.

The following table is the comparison of premiums or discounts over the market prices at which the VGO Comparables were priced. Although the business nature and scale of each of the VGO Comparables vary and some aspects of pricing may be industry-specific, the premiums or discount represented by the VGO Comparables reflect the pricing of the recent similar transactions in the Hong Kong market.

Date of announcement	Stock Code	Name of offeree company	Principal Business(es)	Offer price (HK\$)	Last trading day %	Last 5 trading days %	Last 10 trading days %	Last 30 trading days %	Last 90 trading days %	Last 180 trading days %	NAV
16/6/2021	410	SOHO China Limited	Engaged in property development, property leasing and property management business.	5.00	31.6	57.6	77.5	99.5	103.9	110.3	(40.3)
5/7/2021	378	FDG Kinetic Limited	Engaged in the manufacturing and sale of cathode materials for lithium ferrous phosphate (LFP) batteries.	0.0043	(76.1)	(76.1)	(73.1)	(77.4)	(81.3)	(86.4)	N/A (Note 1)
27/8/2021	68	Lee Hing Development Limited	Engaged in property investment, property development, investment holding and sale and purchase of securities.	0.8	53.9	28.6	(3.7)	(28.7)	(29.6)	(38.9)	(57.2)
23/6/2022	709	Giordano International Limited	Engaged in the retail and distribution of apparel.	1.88	18.2	19.7	18.2	15.7	16.8	20.4	32.3
30/6/2022	510	CASH Financial Services Group Limited	Engaged in (i) provision of online and traditional brokerage of securities, futures and options as well as general and life insurance, mutual funds and mandatory provident fund products, (ii) proprietary trading of debt and equity securities and derivatives, (iii) provision of margin financing and money lending services, and (iv) provision of asset management services.	0.42	25.4	58.7	49.4	33.2	45.3	16.3	(73.4)
27/9/2022	9666	Jinke Smart Services Group Co., Ltd.	Engaged in the provision of space property management services, community value-added services, local catering services and smart living technology solutions in the PRC.	12.00	33.0	36.8	25.9	13.4	(27.1)	(50.7)	(10.9)
				The Offer	19.6	25.4	29.6	40.3	51.6	43.2	(66.7)
				Maximum	53.9	58.7	77.5	99.5	103.9	110.3	32.3
				Minimum	(76.1)	(76.1)	(73.1)	(77.4)	(81.3)	(86.4)	(73.4)
				Median	28.5	32.7	22.1	14.6	(5.2)	(11.3)	(40.3)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Note:

1. The offer price of the voluntary conditional cash offer represented a premium of approximately HK\$0.0049 over the unaudited consolidated net liabilities per share of FDG Kinetic Limited as at 30 September 2020 of approximately HK\$0.0006 as disclosed in the respective announcement.
2. As disclosed in the respective announcement, under the terms of the voluntary conditional cash offer, a shareholder of Lee Hing Development Limited (“**Lee Hing**”) might, in respect of its shares of Lee Hing validly tendered for acceptance, elect: (i) wholly to receive cash payment; or (ii) wholly to receive Offeror Shares under the Share Alternative; or (iii) partly to receive cash payment and partly to receive shares of the offeror under the share alternative, on the following basis:
 - (a) For every Lee Hing Share for which cash payment is elected HK\$0.80; or
 - (b) For every Lee Hing Share for which the Share Alternative is opted one offeror share.
3. The premiums represented by the Revised Offer Price to the 5 days, 10 days, 30 days, 90 days and 180 days average closing prices was calculated with reference to the Last Trading Day (i.e 10 June 2022) disclosed in the Offer Announcement.
4. The discount of approximately 66.7% was calculated based on the unaudited consolidated net asset value of the Company attributable to Shareholders of approximately HK\$4,149,192,000 as at 30 June 2022 as extracted from the 2022 Interim Report and 44,364,885,557 Shares (being the number of Shares in issue as at 30 June 2022).

As shown in the table above, the medians of premiums/discounts of the VGO Comparables over the last trading day share price, 5 days, 10 days, 30 days, 90 days and 180 days share price averages were approximately premiums of 28.5%, 32.7%, 22.1%, 14.6%, and discounts of 5.2% and 11.3% respectively. We noted that the premium represented by the Revised Offer Price over the 10 days, 30 days, 90 days and 180 days Share price average were higher than the corresponding median premiums/discounts of the VGO Comparables across the same types of share price averages comparisons. Nevertheless, we also note that the premiums represented by the Revised Offer Price over the closing price of the Shares on the Last Trading Day and 5 days Share price averages are lower than the corresponding median premiums of the closing price of the Shares of the VGO Comparables on their respective last trading date and the 5 days share price averages. In analysing the above data, we are mindful that the comparison of Revised Offer Price to the most recent time period shall carry more weight over those over a longer period as it is more relevant to reflect the current market situation.

More importantly, we observe that the discount represented by the Revised Offer Price to the latest unaudited net asset value attributable to the equity holders of the Company per Share of approximately 66.7% is significantly deeper than the corresponding median discount of the VGO Comparables (i.e. a discount of approximately 40.3%) and close to the lower bound (i.e. a discount of approximately 73.4%).

However, it is noted that most of the VGO Comparables were conducted at the time when the HSI was above 21,000 points while the HSI dropped to approximately 15,000 points as at the Latest Practicable Date, indicating the market sentiment was weaker. As such, the above analyses with the VGO Comparable are for general reference.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

7. Our analysis and view on the Cash Value of the Shares

In assessing the fairness and reasonableness of the Revised Offer Price, we have conducted a comparison of the Revised Offer Price to the cash value of the Group (the “**Cash Value**”) per Share. The Cash Value was calculated by aggregate of (i) the bank balances and cash; and (ii) the short-term investments. The short-term investments included financial assets and derivative financial instruments which is subject to market fluctuation, that were held by the Group for investment or trading purposes which are readily realisable or convertible into cash. Set out below are the calculations of the unaudited Cash Value per Share as at 30 June 2022.

Calculations of the Cash Value per Share

	<i>HK\$'000</i>
Unaudited bank balances and cash as at 30 June 2022	889,046
Unaudited fixed bank deposits as at 30 June 2022	713,182
Unaudited short-term investments as at 30 June 2022	<u>773,258</u>
Unaudited Cash Value as at 30 June 2022	<u><u>2,375,486</u></u>
Unaudited Cash Value per Share as at 30 June 2022	<u><u>HK\$0.0535</u></u>

The unaudited Cash Value per Share as at 30 June 2022 was approximately HK\$0.0535 per Share. The Revised Offer Price of HK\$0.0311 per Share is only 58.1% of the Cash Value per Share as at 30 June 2022, which is much lower than and represents a deep discount of approximately 41.9% to the Cash Value per Share as at 30 June 2022. Notwithstanding the value of the short-term investments of the Group was subject to fluctuation in relation to the market performance, the unaudited bank balances and cash and the unaudited fixed bank deposit (the “**Free Cash Balance**”) per Share as at 30 June 2022 was approximately HK\$0.0361 and the Revised Offer Price represent a discount of approximately 13.9% to the Free Cash Balance per Share.

We are also of the view that from the valuation perspective, the cash is a unique and important component in valuing the Company as cash is a completely liquid asset and least debatable in its fair value.

As at 30 June 2022, the net assets value of the Group was approximately HK\$4,196 million and the Cash Value of the Group was approximately HK\$2,375 million. The Cash Value accounted for approximately 57% of the Group’s net asset value and was the largest asset of the Group. In addition, as mentioned in the section headed “1. Information and financial performance of the Group”, the financial position of the Group was strong, robust as well as with strong liquidity as substantiated by the low Debt Ratio of 7.3% and high Current Ratio of 1,153.5% as well as the improvement of the Debt Ratio and Current Ratio since 2019. As at 30 June 2022, the total liabilities of the Group were approximately HK\$329.62 million and was substantially less than the net assets value and the Cash Value of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the above, we consider that the Revised Offer Price of HK\$0.0311, which is far below HK\$0.0535, is viewed as undervaluing the Company and therefore the Revised Offer Price is not fair and reasonable from this perspective.

8. Future plan and operation direction of the Group

After discussion with the Company, in view that the business and operation environments of the Group will remain challenging, it is the direction of the Group to retain the cash resources for future investment opportunities aiming to improve the financial performance of the Group as well as to create higher value for the Shareholders.

Given (i) the Debt Ratio and the Current Ratio of the Group had been improving since 2019 and as at 30 June 2022, the Debt Ratio of the Group was low with approximately 7.3%, and the Current Ratio was high with approximately 1,153.5%; (ii) as at 30 June 2022, the Cash Value of the Group was approximately HK\$2,375 million; and (iii) the total liabilities of the Group were approximately HK\$329.62 million and was substantially less than the net assets value as well as the Cash Value of the Group, we concur with the Directors' view that the strong and robust financial position and extreme liquidity of the Group will provide it with fundamental advantage to respond to and capture any favorable investment opportunities as and when appropriate within a short time frame, to tackle any uncertainties from the challenging business environment as mentioned in the section "2. Market Prospects" above, and to create value for the Shareholders.

The Company also advised us that the Company has been actively identifying and evaluating business/investment opportunities from time to time, such as the expansion of the Group's loan portfolio, which being one of the principal business segment of the Group. However, the Company is prudent under the current market uncertainties regarding, in particular the quality of collateral and the creditworthiness of the borrowers.

We are also given to understand that as at the Latest Practicable Date, (i) the Company has no intention to distribute the cash resources to the Shareholders and (ii) the Company is not capable of distributing its cash resources to the Shareholders owing to the fact that the Company carries a significant negative balance in its retained earnings, the Company is restricted under the laws from distributing any cash dividend unless a capital restructure is completed and approved by the Shareholders. Owing to such restriction, no declaration of dividend can be made by the Group in the near future unless the aforesaid capital restructure is completed and approved.

Despite the business and operation environments of the Group will remain challenging, the current financial position of the Group was healthy, strong and extremely liquid, we (a) therefore consider that the Group is in a strong advantage to capture any lucrative investment opportunities should they arise in the foreseeable future, such as expansion of loan portfolio as discussed above and (b) are not aware of any obvious or significant risk factors which could adversely impact on the Group in the foreseeable future leading to a liquidation or insolvency.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

As an independent financial adviser, we are always mindful to give a fair and unbiased opinion having given due consideration to every piece of information coming to our analyses. In a particularly difficult situation where certain counter-arguments also carry considerable weights, we believe that it is mostly important for us to form a balanced view and fully address every argument and explain our reasoning to Independent Shareholders crystally clear.

In this case, we believe that there are two arguments, one is quite obvious and the other a bit controversial, which needs special discussions as follows:-

(a) the Revised Offer Price is above the market price of the Shares for a considerable period of time

Of course, it is very easy for the layman to notice that the Revised Offer Price is above the market price of the Shares for a considerable period of time; however, one shall not naively and simply accept it and jump into a conclusion without considering all other factors discussed above.

We believe that no one would argue market price of a company is subject to a lot factors such as market condition, which may deviate from its intrinsic value considerably from time to time. In our analyses above, we went on to study the Revised Offer Price as reference to the PBRs of Market Comparables. The results of those analysis revealed that the Revised Offer Price is below the median of the market statistics.

Given the above PBR market analysis and with an effort to avoid being misled by data, we followed on to study the quality of the net assets sitting on the balance sheet of the Group. We found out that the Cash Value represents a significant portion of the Group's NAV while the Revised Offer Price represents a deep discount of approximately 41.9% to the Cash Value per Shares as at 30 June 2022. We then further studied the PCVRs of Market Comparables which also suggested that the Revised Offer Price is well below the median of the market data. We believe that cash and cash equivalent are the asset class with least argument in term of its fair value, and therefore the result of this analysis shall carry a significant weight over others.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To this end, we conclude that even though the Revised Offer Price is above the market price of the Shares for a considerable period of time, it is unfair and unreasonable from every aspect of our analyses.

However, it is noted that most of the VGO Comparables were conducted at the time when the HSI was above 21,000 points while the HSI was dropped to approximately 15,000 points as at the Latest Practicable Date, indicating the market sentiment is weaker. As such, the above analyses with the VGO Comparable are for general reference.

(b) the Offer does provide an alternative exit opportunity for Independent Shareholders given the thin trading volume of the Shares

Without any doubts and similar to other small listed companies, the Shares have been suffered from thin trading volume. However, one cannot simply take that so long as the Shares are not actively traded in the market, whatever price being offered by an offer is fair and reasonable. Offer price should be the most important factor to be considered in any general offer.

Further, we are of an opinion that liquidity issue shall be an issue well perceived by those investors of small listed companies in Hong Kong. They should have been aware of it at the time in making their own investment decision. Likewise, whether they would like to take an advantage of this Offer to realise their investment shall be their own personal investment decision. As such, Independent Shareholders, who are willing to realise their investment in the Shares by accepting the Offer, are strongly advised to seek professional advice from a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

However, despite the business and operation environments of the Group will remain challenging, the current financial position of the Group was healthy, strong and extremely liquid, we (a) therefore consider that the Group is in a strong advantage to capture any lucrative investment opportunities should they arise in the foreseeable future, such as expansion of loan portfolio and (b) are not aware of any obvious or significant risk factors which could adversely impact on the Group in the foreseeable future leading to a liquidation or insolvency.

To sum up and recap, having considered the principal factors and reasons as discussed above, in particular:

- (i) despite the business and operation environments of the Group will remain challenging, the financial position of the Group was healthy, strong and extremely liquid. As at 30 June 2022, the Cash Value of the Group was approximately HK\$2,375 million, the Debt Ratio of the Group was low with approximately 7.3%, and the Current Ratio was high with 1,153.5% as at 30 June 2022. The Group is in a strong advantage to capture any lucrative investment opportunities should they arise in the foreseeable future. The Company has been actively identifying and evaluating business/investment opportunities from time to time, such as the expansion of the Group's loan portfolio, which being one of the principal business segment of the Group.

For more details, please refer to the section headed "8. Future plan and operation direction of the Group" above;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) the implied PBR of the Offer is lower than the median of the PBR of the Market Comparables. Further, the Revised Offer Price represents a substantial discount of approximately 66.7% to the unaudited consolidated net asset value attributable to Shareholders per Share as at 30 June 2022.

However, it is noted that most of the VGO Comparables were conducted at the time when the HSI was above 21,000 points while the HSI was dropped to approximately 15,000 points as at the Latest Practicable Date, indicating the market sentiment is weaker;

- (iii) the implied PCVR of the Offer is lower than the median of the PCVRs of the Market Comparables;
- (iv) As at 30 June 2022, the unaudited Free Cash Balance and the unaudited Cash Value were approximately HK\$1,602 million and HK\$2,375 million respectively. The Revised Offer Price represents a discount of approximately 13.9% and 41.9% to the Free Cash Balance and Cash Value per Share as at 30 June 2022;
- (v) as set out in the section headed “7. Our analysis and view on the Cash Value of the Shares”, we consider that the Revised Offer Price of HK\$0.0311, which is far below HK\$0.0535, is viewed as undervaluing the Company;

we consider that, on balance, the terms of the Offer (including the Revised Offer Price) as a whole is not fair and reasonable so far as the Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Shareholders not to accept the Offer.

Nevertheless, given (i) the trading liquidity of the Shares is thin and therefore it is uncertain as to whether there would be sufficient liquidity in the Shares for the Shareholders to dispose of a large volume of the Shares in the open market without depressing the Share price; and (ii) the Revised Offer Price had been higher than the daily closing prices for 340 out of 345 trading days during the Review Period, the Offer may represent the only exit for the Shareholders at that price level at the moment. The Shareholders are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period and consider accepting the Offer, instead of selling their Shares in the open market, if the net amount receivable under the Offer exceeds the net proceeds from such sales or if they are not able to dispose of a large volume of the Shares in the open market.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As different Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Shareholders who may require advice in relation to any aspect of the Response Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Amasse Capital Limited
Stephen Lau
Director

Note: Mr. Stephen Lau (“Mr. Lau”) is a licensed person registered with the SFC and a responsible officer of Amasse Capital to carry out Type 6 (advising on corporate finance) and a representative of Amasse Capital to carry out Type 1 (dealing in securities) regulated activities under the SFO. Mr. Lau is also a representative of Amasse Asset Management Limited licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO and he has over 10 years of experience in the finance industry.

1. FINANCIAL SUMMARY

Set out below is a summary of the financial information of the Group for the three financial years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2021 and 2022, which are extracted from the annual reports of the Company for the two financial years ended 31 December 2020 and 2021 and the interim report of the Company for the six months ended 30 June 2022 respectively.

	For the six months		For the financial year		
	ended 30 June		ended 31 December		
	2022	2021	2021	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)	(audited)
Turnover	609,708	1,860,151	4,012,509	1,274,364	2,686,848
Operating income	77,994	334,602	604,426	528,955	1,651,972
Other income	8,784	11,745	10,984	124,390	60,362
Exchange gain/(loss), net	1,449	1,301	3,720	(3,385)	2,346
Cost of inventories recognised as expenses (Consumables used and merchandise sold)	(40,881)	(62,188)	(172,056)	(138,509)	(1,161,626)
Commission and brokerage expenses	(64,197)	(101,164)	(194,818)	(154,038)	(181,346)
Employee benefits expenses	(31,749)	(42,068)	(72,740)	(145,793)	(322,141)
Amortisation of intangible assets	(3,875)	(5,471)	(10,460)	(19,602)	(53,914)
Depreciation of property, plant and equipment	(2,230)	(8,732)	(11,212)	(17,792)	(27,725)
Depreciation of right-of-use assets	(7,490)	(7,617)	(14,562)	(18,467)	(34,294)
Loss on disposal of property, plant and equipment	—	(33)	(10,022)	(11,305)	(259)
Impairment loss on property, plant and equipment	—	(78,352)	(77,520)	—	(1,203)
Impairment loss on right-of-use assets	—	—	—	—	(89)
Reversal/(provision) of impairment loss on financial assets for expected credit loss	7,041	(5,479)	—	—	—
Loss on disposal of interest in a subsidiary	—	(4,644)	(4,644)	—	—
Impairment loss on financial assets for expected credit loss	—	—	(205,524)	(67,165)	(165,539)
Gain on deemed disposal of interests in subsidiaries	—	—	—	—	302,923

APPENDIX I
FINANCIAL INFORMATION OF THE GROUP

	For the six months ended 30 June		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	<i>HK\$'000</i> <i>(unaudited)</i>	<i>HK\$'000</i> <i>(unaudited)</i>	<i>HK\$'000</i> <i>(audited)</i>	<i>HK\$'000</i> <i>(audited)</i>	<i>HK\$'000</i> <i>(audited)</i>
Net fair value (loss)/gain on financial instruments	(56,811)	25,625	(210,435)	107,345	(31,875)
Impairment loss on goodwill	—	—	—	(22,807)	(424,080)
Impairment loss on interests in associates	—	(18,307)	(194,508)	(191,346)	(487,136)
Impairment loss on intangible assets	—	—	(7,820)	(76,796)	(120,907)
Other operating expenses	(27,717)	(63,282)	(118,771)	(116,423)	(198,357)
Finance costs	(660)	(4,476)	(5,811)	(17,881)	(41,955)
Share of results of associates	16,269	5,808	(44,621)	53,497	33,916
Loss before taxation	(124,073)	(22,732)	(736,394)	(187,122)	(1,200,927)
Income tax credit/(expenses)	959	(3,275)	(2)	(2,735)	28,730
Loss for the period/year	(123,114)	(26,007)	(736,396)	(189,857)	(1,172,197)
Other comprehensive income:					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign subsidiaries	(10,902)	(10,128)	(9,347)	36,921	5,388
Share of other comprehensive income of an associate	(9,020)	(1,605)	1,672	12,088	(2,480)
<i>Items that will not be reclassified to profit or loss</i>					
Changes in fair value of defined benefit scheme at fair value through other comprehensive income	—	—	2,286	2,514	4,570
Changes in fair value of equity instruments at fair value through other comprehensive income	(74,651)	10,498	(83,908)	277,582	116,057
Other comprehensive income for the year	(94,573)	(1,235)	(89,297)	329,105	123,535

APPENDIX I
FINANCIAL INFORMATION OF THE GROUP

	For the six months ended 30 June		For the financial year ended 31 December		
	2022	2021	2021	2020	2019
	<i>HK\$'000</i> <i>(unaudited)</i>	<i>HK\$'000</i> <i>(unaudited)</i>	<i>HK\$'000</i> <i>(audited)</i>	<i>HK\$'000</i> <i>(audited)</i>	<i>HK\$'000</i> <i>(audited)</i>
Total comprehensive income for the year	(217,687)	(27,242)	(825,693)	139,248	(1,048,662)
Loss attributable to:					
Equity holders of the Company	(121,303)	(29,127)	(733,623)	(140,711)	(1,149,856)
Non-controlling interests	(1,811)	3,120	(2,773)	(49,146)	(22,341)
Loss for the year	(123,114)	(26,007)	(736,396)	(189,857)	(1,172,197)
Total comprehensive income attributable to:					
Equity holders of the Company	(215,595)	(30,114)	(822,373)	187,875	(1,027,665)
Non-controlling interests	(2,092)	2,872	(3,320)	(48,627)	(20,997)
Total comprehensive income for the year	(217,687)	(27,242)	(825,693)	139,248	(1,048,662)
Loss per share					
Basic and diluted	(HK0.27 cents)	(HK0.07 cents)	HK(1.65) cent	HK(0.32) cent	HK(2.58) cent

Save as disclosed above, there are no other items of income or expenses which are material for the three years ended 31 December 2019, 2020 and 2021 and for the six months ended 30 June 2022.

For each of the years ended 31 December 2019, 2020 and 2021 and for the six months ended 30 June 2022, no dividend was declared or paid.

The auditors of the Company, BDO Limited, did not issue any modified opinion, emphasis of matter or material uncertainty related to going concern on the respective financial statements of the Group for the three years ended 31 December 2019, 2020 and 2021.

2. FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in the Response Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2019 (the “**2019 Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2020 (the “**2020 Financial Statements**”); (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Financial Statements**”); and (iv) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 (the “**2022 Interim Financial Statements**”) and, together with the notes to the relevant published financial statements and significant accounting policies which are of major relevance to the appreciation of the above financial information.

The 2019 Financial Statements are set out on pages 109 to 322 of the annual report of the Company for the year ended 31 December 2019, which was published on 28 April 2020. The annual report of the Company for the year ended 31 December 2019 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042800380.pdf>

The 2020 Financial Statements are set out on pages 112 to 295 of the annual report of the Company for the year ended 31 December 2020, which was published on 28 April 2021. The annual report of the Company for the year ended 31 December 2020 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042801475.pdf>

The 2021 Financial Statements are set out on pages 110 to 279 of the annual report of the Company for the year ended 31 December 2021, which was published on 27 April 2022. The annual report of the Company for the year ended 31 December 2021 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042702044.pdf>

The 2022 Interim Financial Statements are set out on pages 17 to 68 of the interim report of the Company for the six months ended 30 June 2022, which was published on 13 September 2022. The interim report of the Company for the six months ended 30 June 2022 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0913/2022091300512.pdf>

3. MATERIAL CHANGE

Save as disclosed below,

- (i) Reference is made to the profit warning announcement of the Company dated 13 July 2022 and the interim report of the Company for the six months ended 30 June 2022 (the “**2022 Interim Report**”). Save as disclosed in the 2022 Interim Report, in particular, the Group recorded a net loss attributable to equity holders of the Company amounted to approximately HK\$121.30 million for the six month ended 30 June 2022 (“**2H2022**”), representing an increase of approximately 316% as compared to the net loss attributable to equity holders of HK\$29.13 million in the corresponding period in 2021. The increase in such loss was mainly attributable to the effect of (i) the decrease in operating income as the fragile global economy deeply affecting the performance in business segments of trading of securities investments and provision of wealth and asset management, financial brokerage and related services; and (ii) offsetting by (x) the proportionate decrease in variable operating expenses such as commission and brokerage expenses, as well as reduction in other operating expenses resulting from the cost cutting measures adopted by the Group and (y) the absence of impairment loss on property, plant and equipment incurred in 2022 on Mason Privatbank Liechtenstein AG, an indirect wholly-owned subsidiary of the Company, which is in the process of voluntary liquidation;
- (ii) Reference is made to the announcement of the Company dated 15 February 2022, whereby it was disclosed that during the period from 6 August 2021 to 14 February 2022, the Group had acquired an aggregate of 27,100 ordinary shares of Kweichow Moutai Co., Ltd. through the open market at an aggregate consideration of approximately RMB52.10 million. Such acquisition constituted a discloseable transaction for the Company;
- (iii) Reference is made to the announcement of the Company dated 22 February 2022, whereby it was disclosed that during the period from 29 March 2021 to 22 February 2022, the Group had acquired an aggregate of 2,509,500 ordinary shares of China Overseas Land & Investment Limited through the open market at an aggregate consideration of approximately HK\$51.5 million. Such acquisition constituted a discloseable transaction for the Company;
- (iv) Reference is made to the announcement of the Company dated 28 February 2022, whereby it was disclosed that during the period from 11 October 2021 to 28 February 2022, the Group has acquired an aggregate of 2,121,500 ordinary shares of China Vanke Co., Ltd.* (萬科企業股份有限公司) through the open market at an aggregate consideration of approximately HK\$51.4 million. Such acquisition constituted a discloseable transaction for the Company; and

- (v) Reference is made to the announcement of the Company dated 24 March 2022, whereby it was disclosed that during the period from 26 July 2021 to 24 March 2022, the Group has acquired an aggregate of 1,614,000 ordinary shares of Geely Automobile Holdings Limited through the open market at an aggregate consideration of approximately HK\$42.06 million. Such acquisition constituted a discloseable transaction for the Company,

the Directors confirm that there had been no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up) up to and including the Latest Practicable Date.

4. INDEBTEDNESS

The Group previously entered into agreements to provide certain parent guarantees for bank loan facilities granted to AYD Group Limited and its subsidiaries for its working capital requirements. As at 31 August 2022, the maximum aggregate amount of the guarantees was RMB13.50 million (approximately HK\$15.32 million) which were fully utilised. A guarantee fee will be charged at 1.5% per annum of the drawdown amount.

As at the close of business on 31 August 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Response Document, save as the above guarantee and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or other material contingent liabilities of the Group.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Response Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Response Document have been arrived at after due and careful consideration and there are no other facts not contained in the Response Document, the omission of which would make any statement in the Response Document misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors And Chief Executive

As at the Latest Practicable Date, none of the Directors had any interests in the Shares or underlying Shares (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests which they were taken or deemed to have under such provisions of the SFO); (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange; or (iv) required to be disclosed under the Takeovers Code.

As at the Latest Practicable Date, there was no Director who had shareholdings in the Company, therefore, no such Director had indicated the intention to accept or reject the Offer.

(b) Substantial Shareholders

As at the Latest Practicable Date, the interests and short positions of Shareholders (not being Directors or the chief executives of the Company) in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and Takeovers Code and required to be entered in the register maintained by the Company pursuant to section 336 of the SFO were as follows:

Long positions of substantial shareholders of the Company

Name	Capacity and nature of interests	Number of Shares	Approximate percentage of the Company's issued share capital as at the Latest Practicable Date (%)
Hui Wing Mau	Interest of controlled corporation	7,656,916,000 (Note 1)	17.26%
Chen Sung-Tse	Interest of controlled corporation	7,246,628,634 (Note 2)	16.33%

- Notes:*
1. These shares are held by FAL, a company wholly-owned by Mr. Hui Wing Mau.
 2. These shares are held by Investment Talent Limited, a company wholly-owned by Mr. Chen Sung-Tse.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, no Shareholders had an interests or a short position (not being Directors or the chief executives of the Company) in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and the Takeovers Code and required to be entered in the register maintained by the Company pursuant to section 336 of the SFO.

(c) Interests in the Offeror

As at the Latest Practicable Date, none of the Company nor any of its Directors had any interest in the shares, convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

(d) Other Interests

As at the Latest Practicable Date, save as disclosed in sections 2(a) to (b) above:

- (a) the Directors did not have any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares;
- (b) none of a subsidiary of the Company, a pension fund of the Group, or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers, owned or controlled any Shares or any other convertible securities, warrants, options or derivatives in respect of Shares;
- (c) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeover Codes between any person and the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeover Codes;
- (d) no Shares or any convertible securities, warrants, options or derivatives in respect of Shares were managed on a discretionary basis by fund managers connected with Company; and
- (e) none of the Company or any Directors had borrowed or lent any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares.

3. DEALINGS DISCLOSURE

During the Relevant Period, (i) none of the Directors have dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and (ii) none of the Directors and the Company have dealt for value in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

During the Offer Period and ending on the Latest Practicable Date:

- (i) none of a subsidiary of the Company, a pension fund of the Group, or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers, had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (ii) no person who had an arrangement referred to in Note 8 to Rule 22 of the Takeover Codes with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code, had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and
- (iii) no fund manager connected with the Company, who manages funds on a discretionary basis, had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

4. SHARE CAPITAL OF THE COMPANY

Under the Hong Kong Companies Ordinance (Cap. 622), the Company, a company incorporated in Hong Kong, does not have an authorised share capital and the Shares do not have a nominal value. The issued and fully paid share capital of the Company as at the Latest Practicable Date was 44,364,885,557 Shares.

All of the Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and capital. The Shares are listed on the Main Board of the Stock Exchange and none of the securities of the Company are listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

Since 31 December 2021 (being the date on which its latest published audited accounts were prepared) and up to and including the Latest Practicable Date, no Shares have been issued by the Company.

As at the Latest Practicable Date, the Company had no outstanding options, warrants, derivatives or convertible securities in respect of the Shares which were issued by the Company.

5. DIRECTORS' SERVICE CONTRACTS

Details of the Directors' service contracts are set out below:

Name of the Director under contract	Date of commencement	the expiry date of the contract	the amount of fixed remuneration payable under the contract, excluding arrangements for pension payments	the amount of any variable remuneration payable under the contract
				(e.g. commission on profits) with details of the formula for calculating such remuneration
Mr. Tian Ren Can	(i) 26 April 2016	(i) 25 April 2019	HK\$240,000 per annum	nil
	(ii) 26 April 2019	(ii) 25 April 2022	HK\$360,000 per annum	nil
	(iii) 26 April 2022	(iii) 25 April 2025	HK\$360,000 per annum	nil
Mr. Wang Cong	(i) 1 December 2018	(i) 30 November 2021	HK\$360,000 per annum	nil
	(ii) 1 December 2021	(ii) 30 November 2024	HK\$360,000 per annum	nil

Save as disclosed above, the Company or any of its subsidiaries or associates had not entered into service contracts with the Directors (i) which (including both continuous and fixed term contracts) has been entered into or amended within 6 months prior to the commencement of the Offer Period; (ii) which is a continuous contract with a notice period of 12 months or more; or (iii) which is a fixed term contract with more than 12 months to run irrespective of the notice period as at the Latest Practicable Date.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claims of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened by or against any member of the Group.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) had been entered into by the members of the Group within the two years immediately preceding the date of commencement of the Offer Period and up to the Latest Practicable Date:

- (i) On 26 February 2021, Mason Healthcare Group Limited (“**Manson Healthcare**”), an indirect wholly owned subsidiary of the Company, and Tongsheng International Enterprise Limited (“**Tongsheng**”) entered into the share purchase agreement, pursuant to which Manson Healthcare agreed to sell to Tongsheng, and Tongsheng agreed to acquire from Manson Healthcare, the 648,538 fully paid shares in Mason Reproductive Technology Limited (“**Mason Reproductive**”), representing approximately 64.85% of the issued share capital of Mason Reproductive as at the date of the aforesaid share purchase agreement at the consideration of HK\$268,000,000 in cash.

- (ii) On 22 December 2020, (1) Mason Resources Finance Limited, an indirect wholly-owned subsidiary of the Company, as lender; (2) Lyton Maison Limited, as borrower; (3) Ms. Shi Qi, as guarantor; (4) Mr. Shi Peijia; (5) Mr. Teng Wei; (6) Ms. Ma Xiuqin; (7) Ms. Yan Yanqin; (8) Zhongxi Weiye (Beijing) Investment Co., Ltd.* (中禧偉業(北京)投資有限公司); (9) Beijing Seven Ocean Investment Co., Ltd.* (北京七海投資有限公司); (10) Immo BA GmbH; and (11) Miracle Enterprise LLC entered into the supplemental deed-5 in relation to a facility agreement dated 4 November 2016 for a the loan facility in the principal amount of up to HK\$280,000,000 (the “Facility”) which governs, amongst others, the further extension of the loan made under the Facility or the principal amount outstanding for the time being of that loan.

8. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has been engaged by the Company and who has been named in the Response Document or who has given their opinion or advice, which is contained in the Response Document:

Name	Qualification
Amasse Capital Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Amasse Capital has given and has not withdrawn its written consent to the issue of the Response Document with the inclusion of the text of its letter, advice and/or references to its name, in the form and context in which they appear herein.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection on (i) the website of the SFC (<http://www.sfc.hk>); (ii) the website of the Company (<https://www.masonhk.com/>); and (iii) at the principal place of business of the Company at Room 2101, 21/F, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m., Monday to Friday (except public holidays), from the date of the Response Document for so long as the Offer remains open for acceptance:

- (a) the articles of association of the Company;
- (b) the annual report of the Company for the two years ended 31 December 2020 and 2021;
- (c) the interim report of the Company for the six months ended 30 June 2022;
- (d) the letter from the Board, the text of which is set out on pages 4 to 10 of the Response Document;

- (e) the letter from the Independent Board Committee, the text of which is set out on pages 11 to 12 of the Response Document;
- (f) the letter from the Independent Financial Adviser, the text of which is set out on pages 13 to 39 of the Response Document;
- (g) the service contracts referred to under the paragraph headed “Directors’ Service Contracts” in this Appendix;
- (h) the material contracts as referred to in the section headed “Material Contracts” in this appendix; and
- (i) the written consent as referred to in the section headed “Qualification and Consent of Expert” in this appendix.

10. MISCELLANEOUS

- (a) As at the Latest Practicable Date, none of the existing Directors had been or would be given any benefit as compensation for loss of office or otherwise in connection with the Offer.
- (b) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer.
- (c) As at the Latest Practicable, there was no material contract entered into by the Offeror in which any Director has a material personal interest.
- (d) The registered and principal office of the Company is situated at Room 2101, 21/F, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong.
- (e) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East Hong Kong.
- (f) The principal place of business of the Independent Financial Adviser is Room 1201, 12/F, Prosperous Building, 48-52 Des Voeux Road Central, Hong Kong.
- (g) The English language text of the Response Document shall prevail over the Chinese language text.