

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



MASON GROUP HOLDINGS LIMITED

茂宸集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 273)

**CONNECTED TRANSACTION
IN RELATION TO
SUBSCRIPTION FOR SHARES IN THE IPO OF
SHIMAO SERVICES HOLDINGS LIMITED**

On 22 October 2020 the Subscriber applied to subscribe for the Allocated Shares in the IPO of Shimao Services through Hong Kong Public Offering for subscription monies to the extent of a maximum of HK\$58,000,000, inclusive of the principal amount of the Shimao Services Shares subscribed by the Subscriber and the related brokerage, the Stock Exchange trading fee and the SFC transaction levy.

Shimao Group Holdings via Best Cosmos, its wholly-owned subsidiary, owns 90% of the entire issued share capital of Shimao Services. Shimao Group Holdings is owned as to 55.064% by Gemfair and 9.929% by Shiying Finance Limited, both of which are wholly owned by Mr. Hui. As Mr. Hui is also the substantial shareholder of the Company, Shimao Services, which is controlled by Mr. Hui as at the date of this announcement, is therefore a connected person of the Company under Chapter 14A of the Listing Rules and the Subscription will constitute connected transaction to the Company.

As one or more of the applicable percentage ratios as defined under the Listing Rules exceed 0.1% but less than 5%, the Subscription is subject to the reporting and announcement requirements, but exempted from the approval of independent Shareholders under Chapter 14A of the Listing Rules.

THE SUBSCRIPTION

Date : 22 October 2020

Parties : 1. The Issuer, Shimao Services Holdings Limited
2. The Subscriber, an indirect wholly-owned subsidiary of the Company

The Subscriber has applied to subscribe for the Allocated Shares in the IPO of Shimao Services through Hong Kong Public Offering for subscription monies to the extent of a maximum of HK\$58,000,000, inclusive of the principal amount of the Shimao Services Shares subscribed by the Subscriber and the related brokerage, the Stock Exchange trading fee and the SFC transaction levy.

The Subscription is subject to final allocation by joint global coordinators of the IPO of Shimao Services and the Subscriber may or may not be allocated with any Shimao Services Shares in the IPO. The Company will issue further announcement when the number of the Allocated Shares and the final amount of subscription money payable by the Subscriber are fixed.

Offer Price

The Offer Price is at HK\$14.8 to HK\$17.2 per Shimao Services Share and the final Offer Price will be determined by the joint global coordinators of the IPO of Shimao Services on 23 October 2020.

The total subscription monies payable by the Subscriber shall be determined by multiplying the number of the Allocated Shares and the final Offer Price plus SFC transaction levy at 0.0027%, the Stock Exchange trading fee at 0.005% and brokerage commission at 1%.

The Group will fund the total subscription monies from its internal resources.

Completion of the Subscription

The subscription monies have been paid on application on 22 October 2020 and subject to the final number of the Allocated Shares, the excess subscription monies will be refunded on 29 October 2020. According to the IPO timetable of Shimao Services, the expected listing date of the Shimao Services Shares is 30 October 2020 and the Subscription will be completed when IPO becomes unconditional on the listing date. There are no restrictions on the subsequent sales of the Shimao Services Shares subscribed.

REASONS AND BENEFITS FOR THE SUBSCRIPTION

The Group principally provides comprehensive financial services in Mainland China, Japan, South Korea and Europe, with businesses covering private banking, wealth and asset management, securities and futures brokerage, securities margin financing, corporate finance advisory services, investment in securities trading and money lending. The Group also invests in healthcare sector and mother-infant-child consumer products sector and engages in trading of securities.

According to the Prospectus, Shimao Services is a leading comprehensive property management and community living service provider in the PRC with an aggregate contracted GFA of 125.5 million sq.m., covering 108 cities across 26 provinces in China as of 30 June 2020. The historical financial performance of Shimao Services is shown below:

	Year ended 31 December			Six months ended
	2017	2018	2019	30 June 2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)	(audited)
Profit before tax	145,878	195,187	506,051	303,629
Profit after tax	108,781	146,196	384,531	254,671

	As at December			As at
	2017	2018	2019	30 June 2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)	(audited)
Total assets	2,121,566	3,194,920	3,574,931	4,023,374
Total equity	401,315	1,247,511	233,795	1,278,487

Shimao Services has achieved rapid growth over the last three financial years. Having reviewed the Prospectus, including the information on the business model and business prospect of Shimao Services, the Company considers that the Subscription is an attractive investment and can generate potential investment returns for the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are on normal commercial terms which are fair and reasonable and the Subscription is in the best interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

Shimao Group Holdings via Best Cosmos, its wholly-owned subsidiary, owns 90% of the entire issued share capital of Shimao Services. Shimao Group Holdings is owned as to 55.064% by Gemfair and 9.929% by Shiyang Finance Limited, both of which are wholly owned by Mr. Hui. As Mr. Hui is also the substantial shareholder of the Company, Shimao Services, which is controlled by Mr. Hui as at the date of this announcement, is therefore a connected person of the Company under Chapter 14A of the Listing Rules and the Subscription will constitute connected transaction to the Company.

As one or more of the applicable percentage ratios as defined under the Listing Rules exceed 0.1% but less than 5%, the Subscription is subject to the reporting and announcement requirements, but exempted from the approval of independent Shareholders under Chapter 14A of the Listing Rules.

Apart from Ms. Hui, who is the daughter of Mr. Hui and the non-executive Director of the Company, none of the Directors had any material interest in the Subscription. Ms. Hui has abstained from voting on the relevant board resolution of the Company in relation to the Subscription.

DEFINITIONS

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

“Allocated Shares”	the Shimao Services Shares as may be finally allocated to the Subscriber
“Best Cosmos”	Best Cosmos Limited, a BVI business company incorporated in the British Virgin Islands with limited liability on 18 November 2019, which is wholly owned by Shimao Group Holdings
“Board”	the board of Directors
“Company”	Mason Group Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange
“Director(s)”	directors of the Company
“Gemfair”	Gemfair Investments Limited, a limited liability company incorporated in the British Virgin Islands on 8 August 2002 which is wholly owned by Mr. Hui
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Public Offering”	the offer of the 58,824,000 new Shimao Services Shares for subscription by the public in Hong Kong at the Offer Price on the terms and conditions described in the Prospectus
“IPO”	initial public offer by way of global offering
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hui”	Mr. Hui Wing Mau (許榮茂), the substantial shareholder of the Company

“Ms. Hui”	Ms. Hui Mei Mei, Carol (許薇薇), the non-executive Director
“Offer Price”	the offer price range of a maximum of HK\$17.20 per Shimao Services Share and expected to be not less than HK\$14.80 per Shimao Services Share
“percentage ratios”	as defined in the Listing Rules
“PRC” or “China”	People’s Republic of China, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan are excluded
“Prospectus”	the IPO prospectus of Shimao Services dated 20 October 2020
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission
“Shareholder(s)”	holder(s) of the shares of the Company
“Shimao Group Holdings”	Shimao Group Holdings Limited (世茂集團控股有限公司) (formerly known as Shimao Property Holdings Limited (世茂房地產控股有限公司)) (stock code: 813), an exempted company incorporated in the Cayman Islands with limited liability on 29 October 2004, the shares of which are listed on the Main Board of the Stock Exchange
“Shimao Services”	Shimao Services Holdings Limited (世茂服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 3 December 2019
“Shimao Services Share(s)”	The shares of Shimao Services with nominal value of HK\$0.01 each in the share capital of Shimao Services, to be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“sq.m.”	the measurement unit of square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mason Strategic Investment (Asia) Limited, a company incorporated in the British Virgin Islands with limited liability, is an indirect wholly-owned subsidiary of the Company
“Subscription”	the subscription for the Allocated Shares by the Subscriber

“%”

per cent

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

Hong Kong, 22 October 2020

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

Executive Directors:

Ms. Han Ruixia
Mr. Zhang Zhenyi

Non-executive Director:

Ms. Hui Mei Mei, Carol

Independent Non-executive Directors:

Mr. Tian Ren Can
Mr. Wang Cong
Mr. Wu Xu'an
Mr. Ng Yu Yuet