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MASON GROUP HOLDINGS LIMITED

茂宸集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 273)

CONNECTED TRANSACTION — JOINT VENTURE FOR THE INVESTMENT IN GENEVA LIMITED

INTRODUCTION

On 16 October 2018, Mason SPV committed to invest A\$30 million (equivalent to approximately HK\$168,000,000) in the JV Co for the purpose of investing in the Target.

IMPLICATION UNDER THE LISTING RULES

We Doctor Holdings Limited is interested in approximately 19.5% of Mason Reproductive Technology Limited, an indirect non wholly-owned subsidiary of the Company. As a substantial shareholder of the Company's subsidiary, We Doctor Holdings Limited is a connected person of the Company at the subsidiary level. Therefore, the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios under the Listing Rules are more than 0.1% but below 5%, the Transaction is subject to the reporting and announcement requirements but is exempted from the circular, the independent financial advice and the independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

(1) INTRODUCTION

On 16 October 2018, Mason SPV committed to invest A\$30 million (equivalent to approximately HK\$168,000,000) in the JV Co for the purpose of investing in the Target.

(2) THE TRANSACTION

On 16 October 2018, Mason SPV entered into the Commitment Letter to make a capital contribution to the JV Co of the sum of A\$30 million (equivalent to approximately HK\$168,000,000), which sum will be applied by the JV Co as capital contribution to Holdco. Holdco will in turn apply the proceeds as capital contribution to Bidco. Holdco and the Bidco Partners will provide capital contribution to Bidco for Bidco's payment under the SIA on a pro-rata basis.

Depending on the prevailing market conditions, the Group may fund the capital contribution by internal resources of the Group, bank borrowings and/or equity and/or debt financing.

The actual percentage of the issued capital of the JV Co to be subscribed by Mason SPV will be determined with reference to (i) the consideration for the acquisition of the Target Shares of approximately A\$240 million; (ii) the amount of debt financing that will be made available to Bidco; and (iii) the expenses incurred and to be incurred in connection with the acquisition of the Target Shares.

On this basis, it is expected that upon completion of the Transaction, Mason SPV will become interested in not less than approximately 20.86% of the issued share capital of the JV Co (assuming that no debt financing could be obtained by Bidco). The JV Co will not be consolidated as a subsidiary in the financial accounts of the Company.

Completion of the Transaction is conditional upon (i) the SIA becoming unconditional (including but not limited to obtaining all necessary clearance from the Foreign Investment Review Board ("**FIRB**") of Australia); (ii) the JV Co remaining interested in 100% of the issued share capital of Holdco at the date of completion of the Transaction; (iii) Holdco holding not less than 50% of the issued share capital of Bidco at the date of completion of the Transaction; and (iv) Mason SPV, the JV Co Partners, and the JV Co entering into the JV Co Agreement.

If the conditions are not satisfied on or before 31 March 2019, the Commitment Letter will lapse.

The JV Co Agreement will include the following principal terms:

(i) *Profit distribution*

The JV Co shall distribute to its shareholder(s) pro-rata to their shareholding all the profits lawfully available for distribution each financial year, subject to assets of the JV Co available for distribution.

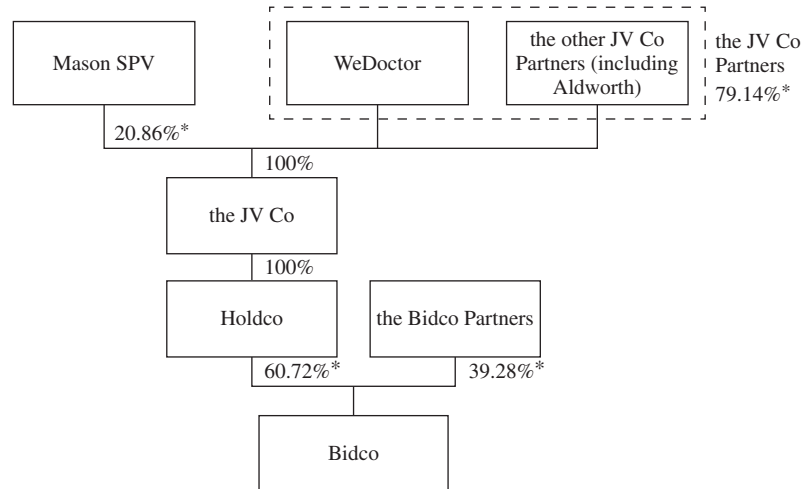
(ii) *Board composition*

The board of the JV Co shall comprise of five directors and Mason SPV shall have the right to appoint one director to the JV Co.

(iii) *Right of first refusal over Genea Fertility*

The Group or its affiliates (including, without limitation, The Women’s Clinic Group Holdings Limited (“WCG”)) will have a right of first refusal to purchase the Target’s Fertility Business Division should the Target offer it for sale. WCG is a company incorporated in the Cayman Islands and, as at the date of this announcement, a wholly-owned subsidiary of the Company.

Upon completion of the Transaction, the shareholding structure of the JV Co and Bidco is set out below.



* *Subject to adjustment depending on the equity commitment of the Bidco Partners and the JV Co Partners*

(3) INFORMATION ON THE PARTIES

(i) Information on the Target

The Target is one of the world’s leading fertility groups with an outstanding track record spanning over 30 years. The Target developed technology including culture media and embryo transfer catheters used in more than 600 clinics across 60 countries. Headquartered in Sydney with over 400 employees and operations globally, the Target is the only integrated assisted reproductive technology (“ART”) platform, with both services and technology, in the industry worldwide.

The Target offers a comprehensive range of ART services, including IVF, egg and embryo freezing, genetic testing, sperm bank, day surgeries and pathology in Australia, Thailand and New Zealand and is the third largest IVF clinic group in Australia by IVF cycle volume.

Leveraging on its extensive experience and technologies, the Target has been engaged by hospitals and clinics in 17 countries to conduct assessment and improvement projects, including some of the largest hospitals in the PRC.

The Target also provides, under the brand name of Genea Biomedx, technologically advanced and innovative medical devices, consumables and software that pioneer concepts of self-learning artificial intelligence in this area of science and help automate and standardise the ART process for embryologists and practitioners at IVF laboratories and fertility clinics. In addition, the Target is the global innovation partner to a global pharmaceutical company in ART and IVF technologies.

The Target is also the only double Gold Award Winner in the 2017 Medical Design Excellence Awards for its self-developed Geri (under the category of Radiological, Imaging and Electromechanical Devices) and Gavi (under the category of Nonsurgical Hospital Supplies and Equipment), respectively. Geri is an innovative time-lapse incubator with individually controlled patient incubator chambers to provide automated cell event tracking for custom applied scoring algorithms for embryo assessment and grading. Gavi is the world's first instrument to automate key stages of vitrification (the process of freezing embryos and eggs).

(ii) Information on Bidco and the Bidco Partners

As at the date of this announcement, Bidco is owned as to approximately 60.72% by Holdco and as to approximately 39.28% by the Bidco Partners.

Upon completion of the SIA, the principal asset of the Bidco will be its interest in the Target Shares.

(iii) Information on the JV Co and Holdco

The JV Co is a company principally engaged in investment holding. As at the date of this announcement, it is owned by WeDoctor and the other JV Co Partners. Its principal asset is the entire shareholding of Holdco.

We Doctor Holdings Limited, together with its subsidiaries (“**WeDoctor Group**”), is the PRC's leading technology enabled healthcare solutions platform, providing seamless online and offline healthcare services as well as integration of general practitioners and specialists doctors. WeDoctor Group brings together government, hospitals, doctors, pharmaceutical companies and financial institutions to create an innovative and holistic healthcare provision and ecosystem. On the WeDoctor Group platform, there are 2,700 hospitals, 220,000 doctors and 27 million monthly active users.

The other JV Co Partners comprise of several companies and/or funds and, except for Aldworth's approximately 5.7% interest in Mason Reproductive Technology Limited, to the best of the Directors' knowledge, information and belief, the other JV Co Partners and their respective ultimate beneficial owners are independent of the Company and its connected persons.

Holdco is a company principally engaged in investment holding. As at the date of this announcement, the JV Co holds 100% of the issued share capital of Holdco. Its principal asset is the shares of Bidco.

(iv) Information on the Mason SPV and the Group

Mason SPV is an indirect wholly-owned subsidiary of the Company principally engaged in investment holding.

The Group is a health and wealth solutions service conglomerate. It principally provides comprehensive financial services in Hong Kong, including dealing in securities, commodities broking, provision of securities margin financing, provision of investment and corporate finance advisory services, investment in securities trading, money lending and investment holding. The Group is also engaged in the health care and mother infant-child care related business.

(4) REASONS FOR THE TRANSACTION

The Board considers an investment in the Target will add synergies to the Group's healthcare platform and further enhance the Group's presence in the IVF industry across the Asia Pacific region. The Group is strategically focused in expanding its footprint as a leading IVF medical platform in the Asia Pacific region where demand for IVF technology and services is growing. This transaction marks a crucial step towards the Group's ultimate vision — becoming a world-class conglomerate offering “Health + Wealth” solutions.

The Directors (including all the independent non-executive Directors) consider that the terms of the Transaction are on normal commercial terms, fair and reasonable, and are in the interest of the Company and the Shareholders as a whole.

No Director had a material interest in the Transaction and no Director was required to abstain from voting on the board resolutions to approve the Transaction.

(5) IMPLICATIONS UNDER THE LISTING RULES

We Doctor Holdings Limited is interested in approximately 19.5% of Mason Reproductive Technology Limited, an indirect non wholly-owned subsidiary of the Company. As a substantial shareholder of the Company's subsidiary, We Doctor Holdings Limited is a connected person of the Company at the subsidiary level. Therefore, the Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all applicable percentage ratios under the Listing Rules are more than 0.1% but below 5%, the Transaction is subject to the reporting and announcement requirements but is exempted from the circular, the independent financial advice and the independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

(6) DEFINITIONS

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

“A\$”	Australian dollar, the lawful currency of Australia
“Aldworth”	Aldworth Equity I SP and Aldworth Opportunities Fund SP
“Bidco”	MW Fertility Pte. Ltd., a company incorporated in the Republic of Singapore
“Bidco Partners”	holders of the remaining issued share capital of Bidco not owned by Holdco
“Bidco Shares”	shares in the capital of Bidco
“Board”	the board of directors of the Company
“Commitment Letter”	the letter provided by Mason SPV to the JV Co dated 16 October 2018 in relation to the Transaction
“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
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Genea Fertility”	Genea Fertility Pty Limited, a company incorporated in Australia wholly-owned by the Target
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holdco”	Talent Triumph Development Ltd, a company incorporated in the British Virgin Islands
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IVF”	in-vitro fertilization
“JV Co”	TT Holdings Limited, a company incorporated in the Cayman Islands

“JV Co Agreement”	the agreement to be entered into between Mason SPV, the JV Co Partners and the JV Co prior to the completion of the Transaction
“JV Co Partners”	WeDoctor and other JV Co Partners (including Aldworth)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mason SPV”	Wealth Infinity Global Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
“Shareholders”	the shareholders of the Company
“Shares”	ordinary shares of the Company
“SIA”	the scheme implementation agreement entered into between the Bidco and the Target in relation to the acquisition of the Target Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Genea Limited, a company incorporated in Australia
“Target Shares”	such number of shares representing approximately 89.5% of the issued capital of the Target
“Target’s Fertility Business Division”	Target’s subsidiaries, associates, joint-ventures or divisions that own or operate fertility clinics in Australia, Thailand and New Zealand
“Transaction”	the investment of A\$30 million by Mason SPV in the JV Co in accordance with the Commitment Letter
“WeDoctor”	We Doctor (HK) Limited, incorporated in Hong Kong with limited liability, which is directly wholly-owned by We Doctor Holdings Limited, a company incorporated in Cayman Islands with limited liability

“%” per cent.

* for illustration purposes only, in this announcement, the conversion of A\$ into HK\$ is based on the exchange rate of A\$1 to HK\$5.6.

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

Hong Kong, 16 October 2018

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

Executive Directors:

Mr. Ko Po Ming (*Chairman and Chief Executive Officer*)

Mr. Chang Tat Joel

Ms. Lui Choi Yiu, Angela

Ms. Fu Yau Ching, Shirley

Non-executive Director:

Ms. Hui Mei Mei, Carol

Independent Non-executive Directors:

Mr. Tian Ren Can

Ms. Kan Lai Kuen, Alice

Mr. Chen Wai Chung, Edmund