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MASON GROUP HOLDINGS LIMITED

茂宸集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 273)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
SUBSCRIPTION FOR SHARES IN THE IPO OF
YIDU TECH INC.**

On 6 January 2021, the Subscriber applied to subscribe for 4,000,000 Yidu Shares with a total application money of approximately HK\$106 million in the IPO of Yidu through Hong Kong Public Offering, inclusive of the principal amount of Yidu Shares subscribed by the Subscriber and the related brokerage, the Stock Exchange trading fee and the SFC transaction levy.

As one or more of the applicable percentage ratios as defined under the Listing Rules exceed 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION

Date : 6 January 2021

Parties : 1. Yidu Tech Inc.
2. The Subscriber, an indirect wholly-owned subsidiary of the Company

The Subscriber applied to subscribe for 4,000,000 Yidu Shares with a total application money of approximately HK\$106 million in the IPO of Yidu through Hong Kong Public Offering, inclusive of the principal amount of Yidu Shares subscribed by the Subscriber and the related brokerage, the Stock Exchange trading fee and the SFC transaction levy.

The Subscription is subject to successful listing of Yidu Shares on the Stock Exchange and final allocation of Yidu Shares. The Subscriber may or may not be allocated with any Yidu Shares in the IPO. According to the IPO timetable, Yidu will announce the allotment results on 14 January 2021 and the expected listing date of Yidu is 15 January 2021.

Offer Price

The Offer Price shall be in the range of HK\$23.5 to HK\$26.3 per Yidu Share. According to the IPO timetable, the final price of each Yidu Share will be announced on 14 January 2021.

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

The Group funds the total application monies from its internal resources and IPO margin financing.

Completion of the Subscription

The subscription monies have been paid on application on 6 January 2021 and subject to the final number of the Allocated Shares, the excess subscription monies will be refunded on 14 January 2021. According to the IPO timetable of Yidu, the expected listing date of the Yidu is 15 January 2021 and the Subscription will be completed when IPO becomes unconditional on the listing date. There are no restrictions on the subsequent sales of the Yidu 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, Yidu offers healthcare solutions built on big data and artificial intelligence (AI) technologies. Yidu serves and partners with key healthcare industry

participants, including hospitals, pharmaceutical, biotech and medical device companies, research institutions, insurance companies, doctors and patients, as well as regulators and policy makers. The historical financial performance of Yidu is shown below:

	Year ended 31 March			Three months ended
	2018	2019	2020	30 June 2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)	(audited)
Loss before tax	(978,342)	(933,121)	(1,510,895)	(506,225)
Loss after tax	(978,368)	(933,690)	(1,511,428)	(505,807)

	As at 31 March			As at
	2018	2019	2020	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	652,843	766,634	1,303,229	1,258,452
Total equity	(1,245,276)	(2,277,784)	(3,726,264)	(4,185,908)

According to the Prospectus, Yidu ranked No. 1 in terms of revenue among all healthcare big data solution providers in China in 2019 with a market share of 5.0% in the healthcare big data solutions market in China. Although Yidu was loss making for the three fiscal years ended 31 March 2020 and the three months ended 30 June 2020, such losses were substantially due to the fair value changes of convertible redeemable preferred shares and the fair value changes of convertible notes. Furthermore, the revenue of Yidu increased by 348.9% from RMB22.7 million in the fiscal year ended 31 March 2018 to RMB102.0 million in the fiscal year ended 31 March 2019 and further by 447.1% to RMB558.1 million in the fiscal year ended 31 March 2020. Having reviewed the Prospectus, including the information on the business model and business prospect of Yidu, the Company considers that the Subscription are attractive investments and can generate potential investment returns for the Group.

The Directors consider that the terms of the Subscription are on normal commercial terms which are fair and reasonable and the Subscription are in the best interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Yidu and their respective ultimate beneficial owner(s), are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under the Listing Rules exceed 5% but less than 25%, the Subscription constitutes discloseable transactions of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Allocated Shares”	the Yidu Shares as may be finally allocated to the Company
“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
“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
“Hong Kong Public Offering”	the initial offer of the Yidu Shares for subscription by the public in Hong Kong
“IPO”	initial public offer by way of global offering
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Price”	the offer price at a range between HK\$23.5 and HK\$26.3 per Yidu 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 prospectus of Yidu dated 31 December 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
“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
“Yidu”	Yidu Tech Inc. (醫渡科技有限公司), a company with limited liability incorporated in the Cayman Islands on 9 December 2014
“Yidu Share(s)”	ordinary share(s) in the share capital of Yidu with a par value of US\$0.00002 each to be listed on the main board of the Stock Exchange
“%”	per cent

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

Hong Kong, 6 January 2021

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