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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)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION DISPOSAL OF 46% OF THE ISSUED SHARES, AND AGREEMENT TO GRANT PUT AND CALL OPTIONS OVER 29% OF THE ISSUED SHARES, IN BLEND AND PACK PTY LTD

In its announcement of 8 February 2019 (the “**First Announcement**”) the Company announced that Mason Food agreed to sell the Sale Shares to WHA and agreed to grant the Call Option to Wattle Health, and to be granted the Put Option by Wattle Health on the terms of the SPA and the Option Deed. This announcement is supplemental to the First Announcement and provides more information about its subject matter.

Unless otherwise stated, capitalized terms defined in the First Announcement are used in this announcement with those defined meanings.

CONSIDERATION

The Directors consider that the consideration is fair and reasonable. It was determined after arm’s length negotiations between the parties, and by reference to valuation based on the P/E multiples ranging between 20.6 to 42.4 of eight comparable companies which are engaged in dairy and nutritional formula products related business and publicly listed in major exchange markets including Hong Kong, New Zealand and Australia.

OPTION DEED

Threshold for exercise of Option

The Option can be exercised after the 24th month and before the 45th month from the SPA Completion if the Target Company’s EBIT has reached A\$7,500,000 (the “**Exercise Target**”) and from the 45th month from the SPA Completion to the fourth anniversary of the SPA Completion without any Exercise Target. The Exercise Target was determined by reference to the historical financial performance of the Target Company prior to Mason Food acquiring shares in the Target Company and the budget developed by the Target

Company based primarily on three signed supply contracts with its customers to manufacture infant formula products with each contract having minimum volume ranging from 2.0 million to 8.4 million cans over the contract period.

Cumulative Fixed Amount for the Call Option

The Cumulative Fixed Amount for the Call Option (A\$9,500,000) is set at the maximum amount of the Cumulative Fixed Amount for the Put Option as set out in Column 3 of Table A in the First Announcement.

WHA (as the buyer) is required to pay the maximum Cumulative Fixed Amount if it exercises the Call Option at any time. The Directors consider that it is in the interest of the Company and its shareholders to fix the Cumulative Fixed Amount for the Call Option at A\$9,500,000.

Cumulative Fixed Amount for the Put Option

The Cumulative Fixed Amount for the Put Option represents a portion of the Put Option's premium ranging from A\$5,500,000 to A\$9,500,000 depending on when the Put Option is exercised. The Cumulative Fixed Amount payable after the SPA Completion implies a compound interest rate ranging from 5.7% to 7.9% per annum on the Base Amount, depending on the timing of the exercise of the Put Option.

EBIT Adjusted Amount

The respective EBIT Adjusted Amount shown in Column (2) of Table B in the First Announcement represents the respective upside value that the Company will receive in the event that the Target Company achieves an EBIT of A\$5,000,000 or above in any Financial Year during the option period. Each EBIT Adjusted Amount was determined by reference to approximately the mid-point of the corresponding Target Company's EBIT range under Column (1) of Table B in the First Announcement except in the case of the Target Company's EBIT exceeding A\$12,000,000 which is capped at A\$14,000,000.

AUDITED NET ASSET VALUE — TARGET COMPANY

The audited net asset value of the Target Company as at 30 June 2018 was A\$5,500,519 (approximately HK\$31,242,948).

In this announcement, translation of A\$ into HK\$ is based on the exchange rate of A\$1 to HK\$5.68.

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

Hong Kong, 22 February 2019

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

Mr. Cao Lu

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

Mr. Wang Cong