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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 —

**AMENDMENT OF AGREEMENT FOR
DISPOSAL OF BLEND AND PACK PTY. LTD.**

On 8 May 2019 the Amended SPA was signed, amending and restating the SPA:

- by increasing the number of Sale Shares to cover the entire interest of Mason Food in the Target Company;
- by revising the aggregate Purchase Price to US\$55,000,000 (approximately HK\$431,750,000);
- by eliminating the Options and all references relating to them;
- by eliminating several conditions precedent; and
- by changing the latest date by which SPA Completion will occur to 30 June 2019 or any other date agreed by Mason Food and WHA in writing.

Mason Group Holdings Limited (the “**Company**”) refers to its announcements dated 8 February 2019, 22 February 2019 and 12 April 2019 (collectively, the “**Announcements**”) in relation to the disposal of 46% of the issued shares and agreement to grant of put and call options over 29% of the issued shares in Blend and Pack Pty. Ltd. Terms defined in the Announcements are used in this announcement with those defined meanings unless the context requires otherwise.

AMENDED SPA

Subsequent to the entering into the SPA, Wattle Health secured further funding from outside sources and made an offer to purchase Mason Food's entire shareholding in the Target Company. After rounds of negotiation, on 8 May 2019 (after trading hours), the parties entered into an agreement (the "**Amended SPA**") amending and restating the SPA and effecting the following material changes to it:

- the definition of "Sale Shares" is amended by increasing the number of Sale Shares by 42,079 (formerly the maximum number of Option Shares). The Sale Shares constitute the entire interest of Mason Food in the Target Company;
- the aggregate Purchase Price is revised to US\$55,000,000 (approximately HK\$431,750,000) and is denominated in US dollars so that at SPA Completion Mason Food will receive US dollars instead of Australian dollars;
- the Options and all references to them have been eliminated;
- several conditions precedent have been eliminated; and
- SPA Completion will occur on or before 30 June 2019 or any other date agreed by Mason Food and WHA in writing.

Save as mentioned above, all material terms and conditions of the SPA remain unchanged.

The principal terms of the Amended SPA are summarized below:

- Date: 8 May 2019
- Parties: 1. Mason Food as seller.
2. WHA as buyer.
- Subject: Under the Amended SPA, Mason Food agreed to sell and WHA agreed to buy 108,825 ordinary shares of the Target Company ("**Sale Shares**") representing the entire interest of Mason Food in the Target Company for an aggregate consideration of US\$55,000,000.

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 P/E multiples of 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 and the past performance and business outlook of the Target Company.

- Conditions: The Amended SPA is conditional upon satisfaction of the following conditions, amongst others:
- (a) approval in compliance with ASX Listing Rules and any determination by the Australian Securities Exchange for the acquisition of the Sale Shares;

- (b) receipt of regulatory approvals and clearance required for the sale of the Sale Shares by Mason Food; and
- (c) receipt of third party consents to change of control of the Target Company required under certain agreements and contracts to which the Target Company is a party.

SPA Completion is conditional on each of the conditions being fulfilled, or waived by Mason Food or WHA (as the case may be), on or before 30 June 2019 or any other date agreed by Mason Food and WHA in writing.

The Group expects to recognize on SPA Completion a net loss of approximately HK\$26 million for the disposal of the Sale Shares calculated by reference to the carrying value of the Sale Shares in its accounts. The Board intends to apply the net proceeds from the Transaction as general working capital and for future investments. The actual amount of gain or loss as a result of the Transaction to be recorded by the Group will be subject to review and final audit by the auditors of the Company and the actual exchange rate at SPA Completion.

BENEFITS

The Directors reiterate the risks associated with businesses involving cross border trading as a result of changing global economic environment, increasing trading barriers between countries as well as regulatory uncertainties in the food industry. The Directors believe that a full exit from the Target Company will remove the uncertainties relating to the timing and money to be received on exercise of the Options and will free up more capital for the Group's strategic investments in the "Health + Wealth" ecosystem.

The Directors consider that the Amended SPA is on normal commercial terms, fair and reasonable, and in the interest of the Company and the Shareholders as a whole. No Director had a material interest in the Amended SPA and no Director was required to abstain from voting on the board resolution to approve the Amended SPA.

IMPLICATIONS UNDER THE LISTING RULES

Despite the change in the Purchase Price, one or more of the applicable percentage ratios under Chapter 14 of the Listing Rules for the Transaction is more than 5% but less than 25%, and the Amended SPA constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

In this announcement, “US\$” and “US dollars” refer to dollars of the United States of America and translations of US\$ into HK\$ are based on the exchange rate of US\$1 to HK\$7.85.

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

Hong Kong, 8 May 2019

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