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**MSEC Holdings Limited**  
(Incorporated in the British Virgin Islands with  
limited liability)

**FOOD WISE HOLDINGS LIMITED**  
**膳源控股有限公司**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1632)

## **JOINT ANNOUNCEMENT**

**(1) CONDITIONAL AGREEMENT IN RELATION TO  
THE ACQUISITION OF SALE SHARES BY THE PURCHASER**

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH  
OFFER BY**



**FOR AND ON BEHALF OF THE OFFEROR TO  
ACQUIRE ALL THE ISSUED SHARES OF  
FOOD WISE HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY OR  
AGREED TO BE ACQUIRED BY THE OFFEROR AND  
THE PARTIES ACTING IN CONCERT WITH IT)**

**AND**

**(3) RESUMPTION OF TRADING IN SHARES**

**Joint financial advisers to the Offeror**



## **SPA**

The Board has been informed by the Vendors that the Vendors, the Purchaser and the Guarantors entered into the SPA on 25 April 2018 (after trading hours), pursuant to which the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase, in aggregate, 149,998,000 Sale Shares, representing approximately 75% of the existing issued share capital of the Company as at the date of this joint announcement. The total consideration for the Sale Shares is HK\$617,241,770, equivalent to HK\$4.115 per Sale Share.

Completion is subject to certain conditions precedent described in the section headed “Conditions Precedent” in this joint announcement.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER**

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold any Shares in the share capital or voting rights of the Company. Immediately following Completion, the Offeror and parties acting in concert with it will be interested in a total of 149,998,000 Shares, representing approximately 75% of the issued share capital of the Company and, pursuant to Rule 26.1 of the Takeovers Code, the Offeror will be required to make the Offer to acquire all the Offer Shares.

As at the date of this joint announcement, the Company has 200,000,000 Shares in issue. The Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the date of this joint announcement.

Subject to Completion, Oceanwide Securities, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

### **The Offer**

For each Offer Share . . . . . HK\$4.115 in cash

The principal terms of the Offer are set out in the section headed “Possible Unconditional Mandatory Cash Offer” in this joint announcement.

The Offer, if and when made, will be unconditional in all respects. The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

The Offeror intends to finance the Sale Shares Purchase Price and the consideration payable under the Offer from (i) its internal resources; (ii) as well as proceeds from the issue of redeemable preferred shares by RUNMING International Limited, a company which owns the entire issued share capital of the Offeror; (iii) a loan from Oceanwide Securities for HK\$300,000,000; and (iv) a short term facility granted by Oceanwide Securities up to HK\$206,000,000. CCB International and Oceanwide Capital, as the joint financial advisers to the Offeror, are satisfied that sufficient resources are available to the Offeror to satisfy the amount of funds required for (i) Completion; and (ii) full acceptance of the Offer.

**WARNING: THE OFFER WILL ONLY BE MADE IF COMPLETION TAKES PLACE. COMPLETION IS SUBJECT TO FULFILLMENT AND/OR WAIVER, AS APPLICABLE, OF THE CONDITIONS CONTAINED IN THE SPA. ACCORDINGLY, THE OFFER MAY OR MAY NOT BE MADE. THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE OFFER WILL BE MADE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.**

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been established by the Company to advise the Offer Shareholders in respect of the Offer pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made by the Company as soon as possible after the appointment of the independent financial adviser.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, inter alia, the terms of the Offer, together with the acceptance and transfer form, should be posted to the Shareholders within 21 days of the date of this joint announcement.

Subject to Completion, the Offeror and the Company intend that the Composite Document in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable and terms of the Offer and accompanied by the acceptance and transfer form), a letter from the Independent Board Committee and a letter from the independent financial adviser in relation to the Offer will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code in due course.

## **RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 26 April 2018 pending the release of this joint announcement. An application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 7 May 2018.

## **THE SPA**

On 25 April 2018 (after trading hours), the Vendors, the Purchaser and the Guarantors entered into the SPA. A summary of the major terms of the SPA is set out below.

**Date** 25 April 2018 (after trading hours)

**Parties**

- (i) the Vendors (as the vendors of the Sale Shares);
- (ii) the Purchaser (as the purchaser of the Sale Shares); and
- (iii) the Guarantors (as the guarantors of Pioneer Vantage and Blaze Forum).

The Purchaser has confirmed that, immediately before the entering into of the SPA, it and its ultimate beneficial owners are Independent Third Parties. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

### Subject matter

Subject to the terms and conditions of the SPA, the Vendors shall sell such number of Sale Shares as set out in the table below respectively as the legal and beneficial owners free from all Encumbrances and the Purchaser shall purchase the Sale Shares together with all rights and benefits attaching or accruing thereto including, without limitation, all dividends and distributions declared, made or paid, on or after the Completion Date. The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the sale of all of the Sale Shares is completed simultaneously.

### Sale Shares Purchase Price for the Sale Shares

Subject to the terms and conditions of the SPA, the purchase price payable for each Sale Share shall be HK\$4.115, and the Sale Shares Purchase Price payable for the Sale Shares to be sold by each of the Vendors is set out in the table below. The aggregate Sale Shares Purchase Price payable for the Sale Shares by the Purchaser shall be HK\$617,241,770.

Name of the Vendors	Number of Shares held as at the date of this joint announcement	Number of Sale Shares	Number of remaining Shares upon Completion	Approximate percentage of the existing issued share capital of the Company immediately before and after Completion		Amount of consideration attributable to the Sale Shares (HK\$)
				Before	After	
Pioneer Vantage	127,500,000	127,498,000	2,000	63.75%	0%	524,654,270
Blaze Forum	22,500,000	22,500,000	0	11.25%	0%	92,587,500
<b>Total</b>	150,000,000	149,998,000	2,000	75.00%	0%	617,241,770

### Conditions precedent

Completion is conditional upon the following conditions (the “**Condition(s)**”):

- (a) the Stock Exchange and the Executive advising that they have no further comment on this joint announcement to be released in connection with the Transactions and the Offer;

- (b) the warranties under the SPA remaining true and accurate and not misleading in all respects as given as at the date of the SPA and as at Completion;
- (c) (A) the current listing of the Shares not having been withdrawn, (B) the Shares continuing to be traded on the Stock Exchange prior to the Completion Date (save for any temporary suspension for no longer than ten (10) consecutive trading days or such other period as the Purchaser may agree in writing or the temporary suspension in connection with the Transactions) and (C) neither the Stock Exchange nor the SFC having indicated before the Completion Date that it will object to such continued listing for reasons related to or arising from the Transactions;
- (d) all necessary consents, confirmations, permits, approvals, licences and authorisations having been obtained from all relevant governmental, regulatory and other authorities, agencies and departments in Hong Kong (including but not limited to the SFC and the Stock Exchange) in connection with the Transactions;
- (e) all applicable legal or contractual or any other requirements, rules and regulations, including but not limited to the Listing Rules and the Takeovers Code, for implementing all the Transactions shall have been duly complied with by the Company and the Purchaser (as to Takeovers Code), including but not limited to the obtaining of all relevant approvals and consents;
- (f) no matter, event, circumstance or change having occurred which has caused, or causes any Material Adverse Effect on (i) the business, operations, prospects or financial condition, or a material portion of the properties or assets, of the Company or of its subsidiaries, or (ii) the ability of any of the Vendors to perform or observe any of its obligations, undertakings or covenants under the SPA; and
- (g) a sum of no less than HK\$80,000,000 in cash having been deposited by the Company into a designated bank of the Company (the “**Designated Account**”) with one bank signatory being nominated by the Purchaser and one bank signatory being nominated by the Company and any transactions of the Designated Account shall be jointly operated by the aforementioned bank signatories or such other manner as the parties to the SPA may agree in writing.

The Purchaser may, at its absolute discretion, waive the Conditions set out in paragraphs (b), (d), (e), (f) and (g) above and such waiver may be made subject to such term and conditions as are determined by the Purchaser. Save for Conditions set out in paragraphs (b), (d), (e), (f) and (g) above, no other Conditions may be waived.

Each of the Vendors shall use its reasonable endeavours to procure the fulfilment of the Conditions on or before the Longstop Date (save for the Condition set out paragraph (g) above which could be satisfied simultaneously at Completion). The Purchaser shall use its best endeavours to procure the fulfilment of the Conditions set out in paragraph (e) (to the extent applicable to the Purchaser) on or before the Longstop Date.

As at the date of this joint announcement, Conditions set out in paragraphs (a), (d) to (e) have been fulfilled.

### **Completion**

Completion shall take place on the fifth Business Day following the fulfilment (or waiver) of the Conditions (or such other date as the Purchaser and the Vendors may agree in writing).

### **Net asset value guarantee**

Subject to Completion having duly occurred in accordance with the terms and conditions of the SPA, in the event the Subsidiary Group Consolidated NAV as at 31 March 2020 shall be less than the Guaranteed NAV, each of the Vendors and the Guarantors jointly and severally undertake with the Purchaser that the Vendors shall in aggregate compensate the Purchaser the amount of such shortfall as apportioned between the Vendors, in proportion to the Sale Shares being sold by each Vendors. For avoidance of doubt, the Sale Shares Purchase Price shall not be adjusted upward.

The expression “**Subsidiary Group Consolidated NAV**” means the audited consolidated tangible net asset value of the Subsidiary Group as determined by the auditors of the Company for the financial year ending 31 March 2020 after making certain adjustments.

## **Undertaking by Pioneer Vantage**

Pioneer Vantage unconditionally and irrevocably undertakes to the Purchaser and Mr. Wong unconditionally and irrevocably undertakes to the Purchaser that he will procure Pioneer Vantage that in respect of the remaining 2,000 Shares held by Pioneer Vantage, Pioneer Vantage (i) will not accept the Offer; and (ii) will not, directly or indirectly, sell, give, transfer, assign or dispose of or otherwise create any Encumbrance on the remaining 2,000 Shares held by it in any manner during the period commencing on the date of the SPA and ending on the date on the close of Offer.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER**

### **The Offer**

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold any Shares in the share capital or voting rights of the Company.

Immediately following Completion, the Offeror and parties acting in concert with it will be interested in a total of 149,998,000 Shares, representing approximately 75% of the issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, subject to Completion taking place, the Offeror will be required to make the Offer to acquire all the Offer Shares. As at the date of this joint announcement, the Company has 200,000,000 Shares in issue. The Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the date of this joint announcement.

Subject to Completion, Oceanwide Securities, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares, on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:



## **The Offer Price**

For each Offer Share . . . . . HK\$4.115 in cash

The Offer, if and when made, will be unconditional in all respects.

## **Comparisons of value**

The Offer Price of HK\$4.115 per Offer Share represents:

- (i) a discount of approximately 34.68% to the closing price of HK\$6.3 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 46.36% to the average closing price of approximately HK\$7.6720 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 52.64% to the average closing price of approximately HK\$8.6890 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 40.45% to the average closing price of approximately HK\$6.9097 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 503.18% over the audited consolidated net asset value of the Company of approximately HK\$0.6822 per Share (based on 200,000,000 Shares in issue) as at 31 March 2017 (being the date to which the latest audited financial results of the Group were made up); and
- (vi) a premium of approximately 487.82% over the unaudited consolidated net assets of the Company of approximately HK\$0.7 per Share (based on 200,000,000 Shares in issue) as at 30 September 2017.

## **Highest and lowest Share prices**

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$12.58 per Share on 6 November 2017 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$4.53 per Share on 6 February 2018.

## **Value of the Offer**

As at the date of this joint announcement, there are 200,000,000 Shares in issue. Assuming that there is no change in the issued share capital of the Company and on the basis of the Offer Price of HK\$4.115 per Share, the entire issued share capital of the Company is valued at approximately HK\$823,000,000. As the Offeror will hold 149,998,000 Shares upon Completion and Pioneer Vantage has undertaken not to accept the Offer in respect of the remaining 2,000 Shares held by it, 50,000,000 Shares will be subject to the Offer, and the aggregate cash consideration payable by the Offeror under the Offer will be approximately HK\$205,750,000.

## **Confirmation of financial resources**

The Offeror intends to finance the Sale Shares Purchase Price and the consideration payable under the Offer from (i) its internal resources; (ii) as well as proceeds from the issue of redeemable preferred shares (the “**Preferred Shares**”) by RUNMING International Limited, a company which owns the entire issued share capital of the Offeror; (iii) a loan from Oceanwide Securities for HK\$300,000,000; and (iv) a short term facility from Oceanwide Securities up to HK\$206,000,000 (the “**Short Term Facility**”). CCB International and Oceanwide Capital, as the joint financial advisers to the Offeror, are satisfied that sufficient resources are available to the Offeror to satisfy the amount of funds required for (i) Completion; and (ii) full acceptance of the Offer.

## **Dealing and interest in the Company’s securities**

Under the terms of the Preferred Shares, after the close of the Offer, certain Shares acquired by the Offeror under the SPA or the Offer may be used to redeem the Preferred Shares by the parent company of the Offeror at a price equal to the Offer Price, provided that the number of Shares to be used for redemption of the Preferred Shares shall not cause the Offeror to hold less than 51% of the total issued share capital of the Company at the relevant time. The Offeror agreed to execute a share charge over 42,000,000 Shares held by the Offeror in favour of the preferred shareholders during the period from the second business day following the full repayment of the Short Term Facility granted to the Offeror to finance the acquisition of the Shares under the Offer and until such time as the preferred shareholders cease to hold any Preferred Shares. The holders of the Preferred Shares are not Shareholders.

As part of the arrangement relating to the loan granted by Oceanwide Securities to the Offeror, the Offeror has agreed to grant a call option to Oceanwide Securities pursuant to which Oceanwide Securities has the right to require the Offeror to transfer approximately 3% of the total issued share capital of the Company which will be acquired by the Offeror from the Transactions at a price per Share equal to the Offer Price for a certain period ending on the first anniversary of the Completion Date (the “**Call Option**”). Oceanwide Securities is not a Shareholder.

Based on the existing redemption price of the Preferred Shares and assuming no change in the issued share capital of the Company, the exercise of the Call Option and the redemption of the Preferred Shares will not cause the Offeror to hold less than 51% of the total issued share capital of the Company.

As a requirement under the terms of the Short Term Facility granted by Oceanwide Securities, the Offeror has entered into a placing agreement with a placing agent, under which the placing agent shall place Shares up to 50,000,000 Shares (representing up to 25% of the total issued share capital of the Company) held by the Offeror to independent placees (failing which the placing agent shall acquire the relevant Shares) in order to restore the Company’s public float if the Company shall have insufficient public float after the close of Offer. The Offeror shall inform the placing agent of the maximum number of Shares to be sold by the placing agent on behalf of the Offeror after the close of the Offer.

Save for the SPA and the above, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them have not dealt in nor do they have any shareholding interest in or control any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this joint announcement.

The Offeror confirms that, save for the SPA and the above, as at the date of this joint announcement:

- (i) none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company;
- (ii) the Offeror, its ultimate beneficial owners, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offer;

- (iii) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (v) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them has borrowed or lent; and
- (vii) there is no agreement or arrangement between the Vendors and parties acting in concert with them on the one hand and the Offeror and parties acting in concert with it on the other hand; and save for the aggregate consideration of HK\$617,241,770 payable under the SPA, the Vendors and parties acting in concert with them have not and will not receive any other consideration or benefits in whatever form from the Offeror or parties acting in concert with it.

### **Effect of accepting the Offer**

By accepting the Offer, the Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event, within seven Business Days of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

## **Hong Kong stamp duty**

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

## **Overseas Shareholders**

The Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

## SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) upon Completion but before the Offer is made:

	As at the date of this joint announcement		Immediately upon Completion but before the Offer is made	
	<i>Number of Shares</i>	<i>(approximately) %</i>	<i>Number of Shares</i>	<i>(approximately) %</i>
<i>Directors</i>				
Mr. Wong	127,500,000 <sup>(Note 1)</sup>	63.75	2,000 <sup>(Note 3)</sup>	0.00
Mrs. Wong	22,500,000 <sup>(Note 2)</sup>	11.25	–	–
<i>Substantial Shareholder(s)</i>				
The Offeror	–	–	149,998,000	75.00
Public Shareholders	<u>50,000,000</u>	<u>25.00</u>	<u>50,000,000</u>	<u>25.00</u>
<b>Total</b>	<b><u>200,000,000</u></b>	<b><u>100.00</u></b>	<b><u>200,000,000</u></b>	<b><u>100.00</u></b>

### Notes:

- (1) These 127,500,000 Shares are held by Pioneer Vantage, a company solely owned by Mr. Wong. Mr. Wong is therefore deemed to be interested in all the 127,500,000 Shares owned by Pioneer Vantage by virtue of the SFO. Mr. Wong is the spouse of Mrs. Wong. Under the SFO, Mr. Wong is deemed to be interested in all the 22,500,000 Shares owned by Mrs. Wong through Blaze Forum.
- (2) These 22,500,000 Shares are held by Blaze Forum, a company solely owned by Mrs. Wong. Mrs. Wong is therefore deemed to be interested in all the 22,500,000 Shares owned by Blaze Forum by virtue of the SFO. Mrs. Wong is the spouse of Mr. Wong. Under the SFO, Mrs. Wong is deemed to be interested in all the 127,500,000 Shares owned by Mr. Wong through Pioneer Vantage.
- (3) These 2,000 Shares are indirectly held by Mr. Wong through Pioneer Vantage.
- (4) Certain percentage figures included in the above table are subject to rounding adjustments.

## INFORMATION ON THE PARTIES

### The Group

The Company is incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the operation of restaurants under the Viet's Choice brands in Hong Kong.

The following table is a summary of certain consolidated financial information of the Group for the two financial years ended 31 March 2016 and 31 March 2017 respectively:

	<b>Year ended 31 March 2016</b>	<b>Year ended 31 March 2017</b>
	(audited)	(audited)
	(HK\$'000)	(HK\$'000)
Revenue	200,915	189,830
Profit/(loss) before taxation	28,743	(6,146)
Profit/(loss) and total comprehensive income/(loss) for the year	<u>23,905</u>	<u>(7,928)</u>
	<b>As at 31 March 2016</b>	<b>As at 31 March 2017</b>
	(audited)	(audited)
	(HK\$'000)	(HK\$'000)
Net assets	<u>54,402</u>	<u>136,444</u>

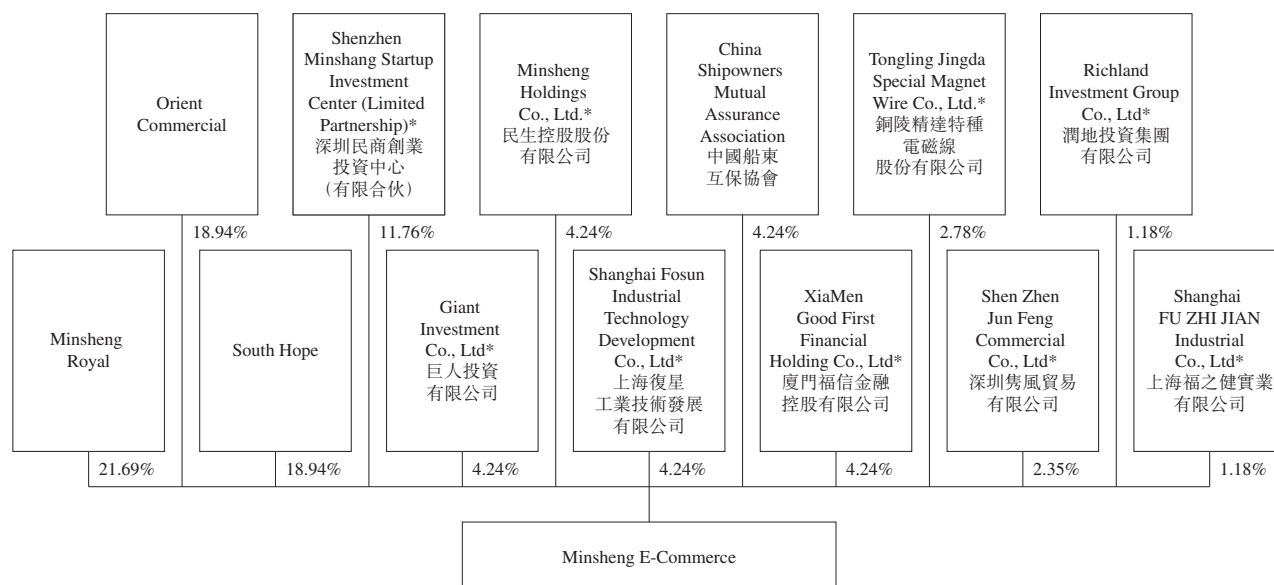
Further financial information of the Group will be set out in the Composite Document.

## The Offeror group

The Offeror is a company incorporated in the BVI with limited liability on 21 October 2014. It is an investment holding company. Its assets are solely cash. As at the date of this joint announcement, its ordinary share capital is wholly owned by RUNMING International Limited which in turn is wholly owned by Shanghai Yingzhao Investment Management Company Limited\* (上海盈昭投資管理有限公司). Shanghai Yingzhao Investment Management Company Limited\* (上海盈昭投資管理有限公司) is wholly owned by Beijing Ruitao Technology Company Limited\* (北京睿韜科技有限責任公司) which is in turn owned by Minsheng E-Commerce Holdings (Shenzhen) CO., LTD (民生電商控股(深圳)有限公司) (“**Minsheng E-Commerce**”). As at the date of this joint announcement, Minsheng E-Commerce has 13 shareholders which are PRC established corporations and organizations. The single largest shareholder, Minsheng Royal Asset Management Co., Ltd (民生加銀資產管理有限公司) (“**Minsheng Royal**”), a subsidiary of China Minsheng Bank (民生銀行), holds approximately 21.69% of the shareholding of Minsheng E-Commerce. The second largest shareholders, South Hope Industry Co., Limited\* (南方希望實業有限公司) (“**South Hope**”) and Orient Group Commercial Investment Co., Ltd\* (東方集團商業投資有限公司) (“**Orient Commercial**”) each holds approximately 18.94% of the shareholding of Minsheng E-Commerce, respectively. South Hope is a subsidiary of New Hope Group Limited (新希望集團有限公司) which mainly engages in modern agricultural and food production. Orient Commercial is 100% owned by Orient Group Co., Ltd (東方集團股份有限公司), a company listed on the Shanghai Stock Exchange which involved in finance, trading, ports, industrial businesses.



A simplified structure of the shareholding of Minsheng E-Commerce is set out below:



Minsheng E-Commerce is mainly engaged in e-commerce and related businesses in the PRC. Through leveraging on its technological system and supply chain capabilities, Minsheng E-Commerce provides customized e-commerce and internet marketing solutions and related services including services for operation of the customer rewards scheme of financial institutions, with an aim to reduce the cost of the financial institutions and provide quality products and services.

## FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

The Offeror intends to continue the existing principal businesses of the Group and maintain the employment of the operational and administrative employees of the Group (except for the proposed changes to the members of the Board as detailed in the sub-paragraph headed “Proposed change of Board composition” below).

As at the date of this joint announcement, the Offeror has no intention to dispose or downsize the business or the assets of the Group, and has no plan for any acquisition of assets and/or business of the Group. However, the Offeror will, following completion of the Offer, conduct a detailed review of the operations of the Group and formulate feasible business strategies with a view to developing a sustainable corporate strategy to broaden its income stream, which may include rebalancing the resources of the Group should appropriate opportunities arise.

### **Proposed change of Board composition**

The Board is currently made up of two executive Directors, one non-executive Director and three independent non-executive Directors. The Offeror intends to nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code, the Listing Rules or other applicable regulations. Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules. As at the date of this joint announcement, the Offeror has not reached any final decisions as to who will be nominated as new Directors. Further announcement(s) will be made upon any changes to the composition to the Board in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

### **Public float and maintaining the listing status of the Company**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer and will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares. As mentioned above, the Offeror has entered into a placing agreement with a placing agent, under which the placing agent shall place Shares up to 50,000,000 Shares (representing up to 25% of the total issued share capital of the Company) held by the Offeror to independent placees (failing which the placing agent shall acquire the relevant Shares) in order to restore the Company's public float if the Company shall have insufficient public float after the close of Offer. The Offeror shall inform the placing agent of the maximum number of Shares to be sold by the placing agent on behalf of the Offeror after the close of the Offer.

If, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all time, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

then, it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

## **GENERAL**

### **Independent Board Committee and independent financial adviser**

The Independent Board Committee comprising the non-executive Director and all independent non-executive Directors, namely Mr. Cheung Wai Chi, Mr. Cheung Yui Kai Warren, Prof. Lai Kin Keung and Mr. Lui Hong Peace, who have no direct or indirect interest in the Offer, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to advise the Offer Shareholders in respect of the Offer, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser will be appointed pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Further announcement(s) will be made by the Company as soon as possible after the appointment of the independent financial adviser.

### **Despatch of the Composite Document**

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, inter alia, the terms of the Offer, together with the acceptance and transfer form, should be posted to the Shareholders within 21 days of the date of this joint announcement.

Subject to Completion, the Offeror and the Company intend that the Composite Document in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable and terms of the Offer and accompanied by the acceptance and transfer form), a letter from the Independent Board Committee and a letter from the independent financial adviser in relation to the Offer will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code in due course.

### **Disclosure of dealings**

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 26 April 2018 pending the release of this joint announcement. An application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 7 May 2018.

**WARNING: THE OFFER WILL ONLY BE MADE IF COMPLETION TAKES PLACE. THE COMPLETION IS SUBJECT TO FULFILLMENT AND/OR WAIVER, AS APPLICABLE, OF THE CONDITIONS CONTAINED IN THE SPA. ACCORDINGLY, THE OFFER MAY OR MAY NOT BE MADE. THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE OFFER WILL BE MADE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.**

## **DEFINITIONS**

In this joint announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Blaze Forum”	Blaze Forum Limited, a company incorporated in the BVI on 24 November 2015 with limited liability, a company wholly-owned by Mrs. Wong
“Board”	the board of Directors
“Business Day(s)”	a business day is a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands

“CCB International”	CCB International Capital Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, one of the joint financial advisers to the Offeror
“Company”	Food Wise Holdings Limited ( 膳源控股有限公司 ), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the SPA
“Completion Date”	the date on which Completion is required to take place
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code
“Director(s)”	the director(s) of the Company
“Encumbrance(s)”	(i) any mortgage, charge, pledge, lien, hypothecation, encumbrances or other security arrangement of any kind; (ii) any option, equity, claim, adverse interest or other third party right of any kind; (iii) any arrangement by which any right is subordinated to any right of such third party; or (iv) any contractual right of set-off, including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries

“Guarantors”	Mr. Wong as guarantor for Pioneer Vantage and Mrs. Wong as guarantor for Blaze Forum
“Guaranteed NAV”	HK\$61,000,000, being the expected minimum net asset value of the Subsidiary Group as at 31 March 2020 as agreed between the Purchaser, the Vendors and the Guarantors
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board, comprising Mr. Cheung Wai Chi, Mr. Cheung Yui Kai Warren, Prof. Lai Kin Keung and Mr. Lui Hong Peace formed for the purpose of advising the Offer Shareholders in respect of the Offer
“Independent Third Party(ies)”	person(s) or company(s) who/which is/are not connected with the Directors, chief executive or substantial shareholders (as defined under the Listing Rules) of the Company or any of its subsidiaries, or any of their respective associates
“Last Trading Day”	25 April 2018, the last trading day for the Shares prior to the half of trading of the Shares pending publication of this joint announcement
“Longstop Date”	31 July 2018 (or such later date as may be agreed between the Vendors and the Purchaser in writing)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange

“Material Adverse Change”	a material adverse change, or any development involving a prospective material adverse change, in or affecting the assets, liabilities, business, general affairs, management, prospects, shareholders’ equity, profits, losses, results of operations, position, prospects or condition, financial or otherwise, or performance of the Group, taken as a whole
“Mr. Wong”	Mr. Wong Che Kin, as guarantor for Pioneer Vantage, and an executive Director who owns the entire issued share capital of Pioneer Vantage and who is indirectly interested in 63.75% of the issued share capital of the Company through Pioneer Vantage as at the date of this joint announcement
“Mrs. Wong”	Ms. Wong Chui Ha Iris, as guarantor for Blaze Forum, and an executive Director who owns the entire issued share capital of Blaze Forum and who is indirectly interested in 11.25% of the issued share capital of the Company through Blaze Forum as at the date of this joint announcement
“Oceanwide Capital”	Oceanwide Capital Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activity under the SFO, one of the joint financial advisers to the Offeror
“Oceanwide Securities”	Oceanwide Securities Limited, a corporation licensed to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activity under the SFO, the offer agent to the Offeror
“Offer”	the mandatory unconditional cash offer to be made by Oceanwide Securities on behalf of the Offeror (and parties acting in concert with it) in accordance with the Takeovers Code for the Offer Shares subject to Completion having taken place



“Offer Period”	has the meaning given to it in the Takeovers Code
“Offer Price”	HK\$4.115 per Offer Share in respect of the Offer
“Offer Share(s)”	all the Share(s) in issue, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offer Shareholder(s)”	holder(s) of Offer Share(s)
“Offeror” or “Purchaser”	MSEC Holdings Limited, a company incorporated in the BVI with limited liability on 21 October 2014
“Overseas Shareholders”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“Pioneer Vantage”	Pioneer Vantage Global Limited, a company incorporated in the BVI on 11 March 2016 with limited liability, a company wholly-owned by Mr. Wong
“PRC”	the People’s Republic of China but excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Sale Share(s)”	149,998,000 Shares, representing approximately 75% of the total issued share capital of the Company as at the date of this joint announcement, to be sold by the Vendors to the Purchaser subject to and conditional upon the terms of the SPA, and each a Sale Share
“Sale Shares Purchase Price”	the total consideration in the sum of HK\$617,241,770 for the Sale Shares
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“SPA”	the conditional agreement dated 25 April 2018 entered into among the Vendors, the Purchaser and the Guarantors in respect of the Transactions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Group”	Prosperity One Limited, a direct wholly-owned subsidiary of the Company and the group of companies directly and indirectly owned by Prosperity One Limited from time to time
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“trading day(s)”	means days on which the Stock Exchange is open for the business of dealing in securities
“Transactions”	transactions contemplated under the SPA
“Vendor(s)”	Pioneer Vantage and Blaze Forum or any one of them
“%”	per cent

By order of the sole director of  
**MSEC Holdings Limited**  
**Xu Lin**  
*Director*

By order of the Board of  
**Food Wise Holdings Limited**  
**Wong Che Kin**  
*Chairman*

Hong Kong, 4 May 2018

*As at the date of this joint announcement, the Board comprises two executive Directors, namely, Mr. Wong Che Kin and Ms. Wong Chui Ha Iris; one non-executive Director, namely Mr. Cheung Wai Chi; and three independent non-executive Directors, namely, Mr. Cheung Yui Kai Warren, Professor Lai Kin Keung and Mr. Lui Hong Peace.*

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omissions of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, the director of the Offeror is Xu Lin. The directors of the ultimate parent company of the Offeror, Minsheng E-Commerce Holdings (Shenzhen) CO., LTD, are Wu jiangtao, Sun mingtao, Xiao yi, Jiang zhixiang, Yang ke, Li wen, Niu xinzhuan, Gu xiaoxu, Huang zhen. The directors of the Offeror and Minsheng E-Commerce Holdings (Shenzhen) CO., LTD accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Group, the Vendors and parties acting in concert with them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Vendors and parties acting in concert with them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.*

*\* For identification purpose only*