FOOD WISE HOLDINGS LIMITED
膳源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1632)

PROFIT WARNING

This announcement is made by Food Wise Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited ("**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Company's Joint Announcement and the Completion Announcement.

The board (the "**Board**") of directors (the "**Directors**") of the Company would like to inform the shareholders (the "**Shareholders**") and potential investors of the Company that, based on the information currently available and the preliminary assessment of the unaudited consolidated financial statements of the Group for the year ended 31 March 2018 ("**FY2018**"), the net loss for the year ended 31 March 2018 is expected to be decreased as compared with the net loss for the year ended 31 March 2017 ("**FY2017**"). The decrease in loss was attributable to no listing expenses incurred for the FY2018. When excluding the non-recurring listing expenses for the FY2017, the Group would have recorded a net profit for FY2017 as compared to a net loss for FY2018. The net loss for FY2018 was mainly due to:

(i) the increase in staff costs to support the Group's business expansion;

(ii) the increase in monthly rental of the Group's leased properties upon renewal of the relevant leases and new properties leased; and

(iii) the increase in legal and professional expenses for compliance of the Listing Rules and other applicable laws and requirements, covering the full financial year (the "**FY 2018 Profit Warning Statement**").

The Company is in the process of finalising the annual results of the Group for FY2018 and such results are subject to audit by the Company's auditors. The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available which have not been reviewed by the audit committee of the Board, and is subject to any adjustments if necessary. The annual results of the Group for FY2018 are expected to be published on or before 29 June 2018.

TAKEOVERS CODE IMPLICATIONS

Reference is made to the joint announcement (the "**Joint Announcement**") issued by the Company and MSEC Holdings Limited on 4 May 2018 in relation to, among other things, the SPA and the Offer; and the joint announcement (the "**Completion Announcement**") issued by the Company dated 15 May 2018 in relation to, among other things, the completion of the SPA.

The FY2018 Profit Warning Statement constitutes a profit forecast for the purpose of Rule 10 of the Takeovers Code and as it is made during an offer period, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to profit forecasts.

As the Company is required to publish the FY2018 Profit Warning Statement as soon as practicable pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO and given the time constraints, the Company encounters genuine practicable difficulties in meeting the requirements under Rule 10 of the Takeovers Code. The FY2018 Profit Warning Statement will be reported on in accordance with Rule 10 of the Takeovers Code as soon as practicable by the Company's auditors and financial adviser and the relevant reports will be contained in the next document to be sent to the Shareholders, that is, the Composite Document, unless the annual results announcement for FY2018 of the Company has been published prior to the Composite Document.

The Company would like to draw the attention of the Shareholders and potential investors that the FY2018 Profit Warning Statement does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the FY2018 Profit Warning Statement in assessing the merits and demerits of the Offer as disclosed in the Joint Announcement and/or when dealing in the Shares.

By order of the Board
Food Wise Holdings Limited
Wong Che Kin
Chairman, Executive Director and Chief Executive Officer

Hong Kong, 24 May 2018

As at the date of this announcement, the executive directors of the Company are Mr. Wong Che Kin (Chairman) and Ms. Wong Chui Ha Iris, the non-executive Director is Mr. Cheung Wai Chi, and the independent non-executive directors of the Company are Mr. Cheung Yui Kai Warren, Prof. Lai Kin Keung and Mr. Lui Hong Peace.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.