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CHINA HEALTHWISE HOLDINGS LIMITED

中國智能健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 348)

DISCLOSEABLE TRANSACTION — ACQUISITION OF LISTED SECURITIES

THE ACQUISITION

The Board announced that Future Empire acquired of 600,000 shares in WellCell for an aggregate consideration of HK\$1,866,000 (excluding transaction costs) through a series of trades executed on the Stock Exchange on 1 February 2024. The average purchase price (excluding transaction costs) of each share in WellCell is approximately HK\$3.11.

The Acquisition is financed by the internal resources of the Company.

Upon completion of the Acquisition, the 600,000 shares in WellCell will be accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group in accordance with Hong Kong Financial Reporting Standard 9 Financial Instruments.

Upon completion of the Acquisition, Future Empire will hold 600,000 shares in WellCell, representing approximately 0.12% of the issued share capital of WellCell.

IMPLICATIONS UNDER THE LISTING RULES

As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the announcement requirement of the Listing Rules.

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Listed securities to be acquired of

The 600,000 shares in WellCell represent approximately 0.12% of the issued share capital of WellCell as at the date of this announcement.

WellCell is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange under stock code: 2477. WellCell is an investment holding company and its subsidiaries are principally engaged in providing telecommunication network support services, information and communication technology integration services and telecommunication network-related software development services.

The following audited financial information is extracted from the accountant's report of WellCell for the year ended 31 December 2022:

	For the year ended 31 December 2022	For the year ended 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Revenue	226,513	203,336
Profit before tax	29,268	30,148
Profit for the year	24,259	25,524
Total assets	163,181	149,862
Net assets value	80,742	71,086

Consideration

The aggregate consideration from the Acquisition is HK\$1,866,000 (excluding transaction costs) and the consideration of each trade of the Acquisition is based on the bid and ask prices quoted on the Stock Exchange at the time of the trade executed.

The average purchase price (excluding transaction costs) of each share in WellCell is approximately HK\$3.11.

The aggregate consideration from the Acquisition is settled in cash upon completion.

Sellers of the 600,000 shares in WellCell

As the trades of the Acquisition are executed on the Stock Exchange, the Directors are not aware of the identities of the sellers of the 600,000 shares in WellCell.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, each of the sellers and, if applicable, its ultimate beneficial owners is Independent Third Party.

Funding of the Acquisition

The Acquisition is financed by the internal resources of the Company.

Completion

Completion of each trade of the Acquisition takes place on the second trading day following the execution date of the trades.

INFORMATION OF THE GROUP AND FUTURE EMPIRE

The Company is an investment holding company and the Group is principally engaged in sales of Chinese health products, money lending business and investment in financial instruments.

Future Empire is an investment holding company incorporated in the British Virgin Islands with limited liability and wholly-owned by the Company.

REASONS FOR THE ACQUISITION

The Directors have been actively exploring new investment opportunities with an aim to achieve the best use of the Group's resources and improve its portfolio diversification. The Directors believe that the Acquisition would broaden the investment portfolio of the Group. Given that (i) the trades of the Acquisition are executed on the Stock Exchange; (ii) the consideration of each trade of the Acquisition is based on the bid and ask prices quoted on the Stock Exchange at the time of the trade being executed; and (iii) the above benefits expect to accrue to the Group as a result of the Acquisition, the Directors believe that the Acquisition is on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

Upon completion of the Acquisition, the 600,000 shares in WellCell will be accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group in accordance with Hong Kong Financial Reporting Standard 9 Financial Instruments.

Upon completion of the Acquisition, Future Empire will hold 600,000 shares in WellCell, representing approximately 0.12% of the issued share capital of WellCell.

IMPLICATIONS UNDER THE LISTING RULES

As one of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is only subject to the announcement requirement of the Listing Rules.

DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the same meanings when used herein:

“Acquisition”	the Acquisition of 600,000 shares in WellCell by Future Empire at an aggregate consideration of HK\$1,866,000 (excluding transaction costs) through a series of trades executed on the Stock Exchange on 1 February 2024
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	China Healthwise Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange (stock code: 348)
“Director(s)”	the director(s) of the Company
“Future Empire”	Future Empire Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with any directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WellCell”	WellCell Holdings Co., Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2477)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the People’s Republic of China

“%” per cent.

By order of the Board
China Healthwise Holdings Limited
Lei Hong Wai
Chairman and Executive Director

Hong Kong, 1 February 2024

As at the date of this announcement, the executive Directors are Mr. Lei Hong Wai (Chairman), Mr. Cheung Kwok Wai Elton (Vice Chairman), Mr. Leung Alex, Ms. Lo Ming Wan, Mr. Tse Chi Keung, and Mr. Yuan Huixia; and the independent non-executive Directors are Mr. Lai Hok Lim, Mr. Lien Wai Hung and Mr. Wong Tak Chuen.