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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 AND CONNECTED TRANSACTION — PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board announces that on 22 March 2023 (after trading hours of the Stock Exchange), the Loan Agreement was entered into between Good Cheer Global as lender and Customer N as borrower. Pursuant to the Loan Agreement, Good Cheer Global has conditionally agreed to grant the Facilities of up to a principal amount of HK\$9 million to Customer N for a term of 12 months from the date on which the Loan Agreement becoming unconditional.

The principal terms and conditions of the Loan Agreement are set out in the paragraphs headed “The Loan Agreement” in this announcement.

The Directors consider that the entering into the Loan Agreement is in the ordinary and usual course of business of the Group, and the terms of the Loan Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the relevant percentage ratios (as defined under the Listing Rules) in respect of the provision of financial assistance upon signing the Loan Agreement is more than 5% but all are less than 25%, the transaction constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Customer N is a substantial shareholder of the Company. Accordingly, Customer N is a connected person of the Company and the provision of financial assistance upon signing the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that none of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the provision of financial assistance upon signing the Loan Agreement is more than 25% and the total value of the financial assistance plus any monetary advantage is less than HK\$10 million, the transaction is a de minimis transaction which is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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The Board announces that on 22 March 2023 (after trading hours of the Stock Exchange), the Loan Agreement was entered into between Good Cheer Global as lender and Customer N as borrower. Pursuant to the Loan Agreement, Good Cheer Global has conditionally agreed to grant the Facilities of up to a principal amount of HK\$9 million to Customer N for a term of 12 months from the date on which the Loan Agreement becoming unconditional.

The Loan Agreement

The principal terms and conditions of the Loan Agreement are summarised as follows:

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| Date | : | 22 March 2023 |
| Lender | : | Good Cheer Global, a licensed money lender in Hong Kong |
| Borrower | : | Customer N |
| Principal amount of the Facilities | : | Up to HK\$9 million |
| Interest rate | : | Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time plus 3% per annum, payable quarterly |
| Default interest rate | : | Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time plus 3% per annum on overdue sums, including outstanding principal amount of the Loan, interest and other amounts payable under the Loan Agreement, from the due date until payment in full. |
| Security | : | No security is provided by Customer N. |

- Availability period : The period commencing from the date on which the Loan Agreement becoming unconditional to the final repayment date. If (i) Customer N has not made the first drawing of the Facilities for 90 days (or such other number of days as Customer N and Good Cheer Global may agree in writing) after the commencement of the availability period; or (ii) Customer N has not made a drawing for 15 days (or such other number of days as Customer N and Good Cheer Global may agree in writing) after Customer N has repaid all the principal amount of the Loan, the interest accrued thereon and all other outstanding amounts under the Loan Agreement to Good Cheer Global, the Facilities shall automatically be cancelled and no longer be available for drawing.
- Final repayment date : The date immediately after the expiry of a period of twelve (12) months as from the date on which the Loan Agreement becoming unconditional.
- Repayment : Customer N shall repay the principal amount of the Loan in full together with the interest accrued thereon in one lump sum on the final repayment date.
- Prepayment : Customer N may prepay to Good Cheer Global the whole or any part of the outstanding principal amount of the Loan before the final repayment date provided that (i) Customer N shall have given to Good Cheer Global prior written notice specifying the amount to be prepaid and the date on which prepayment is to be made, and (ii) Customer N shall, on the date of prepayment, pay to Good Cheer Global all accrued interest on the amount prepaid.
- Re-borrowing and drawing : Any amounts prepaid by Customer N before the final repayment date shall be available for re-borrowing and drawing provided that the aggregate outstanding principal amount of the Loan shall not exceed HK\$9 million.
- Conditions precedent : The Loan Agreement is conditional upon the fulfillment of the following conditions:
- (a) the publication of an announcement of the Company in relation to the Loan Agreement and the transactions contemplated thereunder in compliance with Chapter 14 and Chapter 14A of the Listing Rules;
 - (b) all representations and warranties made by Customer N in the Loan Agreement or in connection therewith being true and correct with the same effect as though made on and as of the date of drawing with reference to the facts and circumstances then subsisting;

- (c) no event of default having occurred and no potential event of default having occurred (or being likely to occur as a result of the Loan being made); and
- (d) Good Cheer Global having received and found satisfactory such additional information and documents relating to Customer N as Good Cheer Global may reasonably require.

Long stop date : 31 March 2023 (or such later date as Customer N and Good Cheer Global may agree in writing).

Funding of the Facilities

The Facilities will be financed by internal resources of the Group.

Information on Customer N

Eternity Investment Limited is an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange under stock code: 764. Eternity Investment Limited is an investment holding company and its subsidiaries are principally engaged in sale of financial assets, property investment, money lending, and design and sale of jewelry products.

As at the date of this announcement, Mr. Lei Hong Wai, the Chairman of the Board and an executive Director, and Mr. Cheung Kwok Wai Elton, the vice Chairman of the Board and an executive Director, are executive directors of Customer N. Mr. Wong Tak Chuen, an independent non-executive Director, is also an independent non-executive director of Customer N.

Information on the Group and Good Cheer Global

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.

Good Cheer Global is a money lender licensed in Hong Kong under the provisions of the Money Lenders Ordinance. Good Cheer Global conducts money lending business in Hong Kong through the provision of secured and unsecured loans to customers.

Reasons for and benefits of the grant of the Facilities under the Loan Agreement

As money lending is one of the principal activities of the Group, the granting of the Facilities to Customer N is in the ordinary and usual course of business of the Group.

The terms of the Loan Agreement are negotiated on an arm's length basis between Good Cheer Global and Customer N. Given that a stable interest income is generated from the Loan during the term of the Loan Agreement, the Directors (including the independent non-executive Directors but excluding Mr. Lei Hong Wai, Mr. Cheung Kwok Wai Elton and Mr. Wong Tak Chuen who have abstained from voting on the relevant resolutions to approve the Loan Agreement and the transaction contemplated thereunder at the meeting of the Board

held on 22 March 2023) are of the view that the entering into of the Loan Agreement is in the ordinary and usual course of business of the Group, and the terms of the Loan Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the relevant percentage ratios (as defined under the Listing Rules) in respect of the provision of financial assistance upon signing the Loan Agreement is more than 5% but all are less than 25%, the transaction constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Customer N is a substantial shareholder of the Company. Accordingly, Customer N is a connected person of the Company and the provision of financial assistance upon signing the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that none of the relevant applicable percentage ratios (calculated in accordance with the Listing Rules) in respect of the provision of financial assistance upon signing the Loan Agreement is more than 25% and the total value of the financial assistance plus any monetary advantage is less than HK\$10 million, the transaction is a de minimis transaction which is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A 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:

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| “Board” | the board of Directors |
| “Company” | China Healthwise Holdings 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: 348) |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Customer N” | Eternity Investment Limited |
| “Director(s)” | the director(s) of the Company |
| “Facilities” | the Loan to be made available by Good Cheer Global to Customer N under the Loan Agreement |
| “Good Cheer Global” | Good Cheer Global Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Group” | the Company and its subsidiaries |

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| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Loan” | the principal amount of up to HK\$9 million to be advanced by Good Cheer Global to Customer N subject to and upon the terms and conditions of the Loan Agreement or any part thereof and for the time being outstanding |
| “Loan Agreement” | the conditional loan agreement dated 22 March 2023 and entered into between Good Cheer Global as lender and Customer N as borrower relating to the grant of the Facilities |
| “Money Lenders Ordinance” | the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

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

Hong Kong, 22 March 2023

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.