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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)

SUPPLEMENTAL ANNOUNCEMENT — DISCLOSEABLE AND CONNECTED TRANSACTION — PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

References are made to the announcements of the China Healthwise Holdings Limited (the “**Company**”) dated 22 March 2023, 26 February 2024 and 21 March 2025 (“**Announcements**”) in relation to (i) the granting of the Facilities of up to a principal amount of HK\$9 million to Customer N; and (ii) the entering into the first supplemental agreement dated 26 February 2024 (the “**First Supplemental Agreement**”) to extend the repayment date of the Facilities from 21 March 2024 to 21 March 2025; and (iii) the entering into the second supplemental agreement dated 21 March 2025 (the “**Second Supplemental Agreement**”, together with the First Supplemental Agreement, the “**Supplemental Agreements**”) to further extend the repayment date of the Facilities from 21 March 2025 to 21 March 2026. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Company would like to provide further information to the shareholders of the Company and potential investors relating to the Facilities.

Principal terms and conditions of the Loan Agreement (as amended and supplemented by the Supplemental Agreements)

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 : 21 March 2026
- 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
- Good Cheer Global has the overriding right at any time to require immediate repayment of the outstanding principal amount of the Loan, all interest accrued thereon and all other monies payable.
- 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.

Further information on the reasons for and benefits of the extension of the repayment date of the Facilities

As money lending is one of the principal activities of the Group, the provision of the Facilities to Customer N and the extension of the repayment date of the Facilities are in the ordinary and usual course of business of the Group.

Customer N requested for an extension of the repayment date of the Facilities. Before negotiating with Customer N, the Directors have assessed the financial situation of the Group and the terms and conditions of the Loan Agreement (as amended and supplemented by the Supplemental Agreements).

Reference is made to the paragraphs headed “BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENT — Going concern” in note No. 3 to the consolidated financial statements as set out in the annual report of the Company for the year ended 31 December 2024. The Directors have given careful consideration to the future liquidity, operating performance of the Group, and, based on the cash flow projections prepared by the management of the Company, are of the opinion that the cash flow generated from operating activities of the Group will be able to meet the funding needs of operations and repay the outstanding interest bearing borrowings and liabilities in the twelve months from the end of the reporting period. The Directors consider extending the repayment date of the Facilities will not adversely affect the working capital liquidity of the Group.

In addition, the Group has the right of granting and calling Loan as provided under the terms and conditions of the Loan Agreement (as amended and supplemented by the Supplemental Agreements), pursuant to which, (i) drawdown of the Loan is conditional upon, amongst others, Good Cheer Global has sufficient fund available to make the advance; and (ii) Good Cheer Global has the overriding right at any time to require immediate repayment of the outstanding principal amount of the Loan, all interest accrued thereon and all other monies payable.

Reference is also made to the paragraphs headed “PLANS AND PROSPECTS” as set out in the annual report of the Company for the year ended 31 December 2024 regarding the Company’s business plans for (i) introducing and promoting the convenient ready-to-eat health products, various herbal teas and prenatal and postnatal maternal health care products; (ii) launching marketing campaigns on the Mainland China social media; and (iii) refining and upgrading the existing customer membership system. Before applying the Facilities monies to implement the above business plans in the upcoming year, the Board considers that the extension of the repayment date of the Facilities with the right of calling Loan as mentioned in the previous paragraph, will enable the Group to utilise idle cash to generate interest income in the interim, which is in the interests of the Company and its shareholders as a whole.

The Board reviewed the background of Customer N in considering whether to extend the repayment date of the Facilities. Customer N is a company listed on Main Board of the Exchange under the stock code: 764 and a substantial shareholder of the Company. As disclosed in the annual report of Customer N for the year ended 31 December 2024, Customer N recorded net assets of approximately HK\$1,052.6 million as at 31 December 2024. The Board also reviewed and was satisfied with the historical repayment and interest payment record of Customer N since the grant of the Facilities in 2023. Set out below is the movement of the Loan from Customer N in 2023, 2024 and 2025 (up to 21 March 2025):

	2023	2024	2025
	<i>Approximate HK\$'000</i>	<i>Approximate HK\$'000</i>	<i>Approximate HK\$'000</i>
At 1 January	—	9,211	7,427
Total drawings	12,404	4,390	1,090
Interest accrued	494	676	124
Total repayment	<u>(3,687)</u>	<u>(6,850)</u>	<u>(1,000)</u>
At 31 December	<u>9,211</u>	<u>7,427</u>	<u>7,641</u>

Having taken into account the above, the Board is of the view that the risk of default of Customer N shall be low.

In considering the interest rate of the Facilities, the Directors made reference to the interest rates of the existing loan portfolio of the Group which range from 8% to 13% and the average cost of debt of approximately 8.3%. The interest rate of the Facilities of 8.25%, calculated based on the Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation of 5.25% as at the date of this announcement plus 3% per annum, is within the range of that of the existing loans granted by the Group and close to the average cost of debt of the Group.

Having considered the financial situation of the Group, financial background of Customer N, the repayment and interest payment record of Customer N and the additional interest income of approximately HK\$0.7 million to be generated to Good Cheer Global from the extension of the repayment date of the Facilities, the Directors (including the independent non-executive Directors but excluding Mr. Lei Hong Wai and Mr. Cheung Kwok Wai Elton who have abstained from voting on the relevant resolutions to approve the Second Supplemental Agreement and the transaction contemplated thereunder at the meeting of the Board held on 21 March 2025) consider that the Second Supplemental Agreement and its terms (including the interest rate) are entered into on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 29 April 2025

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. Yuan Huixia and Mr. Yang Qiangsheng; and the independent non-executive Directors are Mr. Lai Hok Lim, Mr. Lien Wai Hung and Mr. Tsang Chin Pang.