

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of China Healthwise Holdings Limited.

CHINA HEALTHWISE HOLDINGS LIMITED

中國智能健康控股有限公司

(Formerly known as “Haier Healthwise Holdings Limited
海爾智能健康控股有限公司”)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 348)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of China Healthwise Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 11 May 2017 (the “**Announcement**”) in relation to the Placing of new Shares under the General Mandate. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to provide further information in respect of the basis of determination of the Placing Price, the reasons for the Placing and the proposed use of proceeds from the Placing.

BASIS OF DETERMINATION OF THE PLACING PRICE

The Placing Price of HK\$0.14 per Placing Share was determined after arm’s length negotiations between the Company and the Placing Agent with reference to the following factors:

- (i) the average daily trading volume of the Shares in the past three months was approximately 0.32% of the total number of issued share capital of the Company, which illustrates a low liquidity of the Shares;
- (ii) the daily closing prices of the Shares in the past three months demonstrated a general decreasing trend, from a closing share price of HK\$0.249 as at 13 February 2017 to HK\$0.174 as at 11 May 2017; and
- (iii) the Group’s financial results for the year ended 31 March 2016 and the six months ended 30 September 2016.

Further, reference is made to the Company's announcement dated 29 March 2017, in which it was disclosed that an independent third party subscribed for Shares equal to approximately 6.14% of the existing share capital of the Company at a subscription price of HK\$0.165, being a discount of approximately 16.67% to the closing price per Share as quoted on Stock Exchange on the date of the relevant subscription agreement. Since the Placing Shares represented a larger amount of Shares (representing approximately 13.05% of the existing share capital of the Company) as compared with the abovementioned subscription, and in view of the abovementioned prevailing market conditions and the financial results of the Company, the Placing Agent advised that a discount of approximately 19.54% to the closing price of the Share as quoted on the Stock Exchange on the date of the Placing Agreement was reasonably expected by the investors.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The 819,914,000 Placing Shares represent the then remaining balance of the Shares that could be issued under the General Mandate. On the basis that all such Placing Shares are placed in full at the Placing Price of HK\$0.14 as determined in the abovementioned manner, the gross proceeds from the Placing will amount to approximately HK\$114.79 million and the net proceeds from the Placing will amount to approximately HK\$110.69 million. The Company currently intends to apply:

- (i) approximately HK\$95 million of the proceeds from the Placing on future investment opportunities; and
- (ii) approximately HK\$15 million of the proceeds from the Placing as general working capital required for the development of the trading and retail business of 參茸 (Sum Yung) and dried seafood products in Hong Kong following the acquisition of Nam Pei Hong as disclosed in the Company's announcement dated 29 March 2017.

The Company has been actively evaluating its business strategies and intends to diversify the revenue sources of the Group. In view of the general public's increasing emphasis on health and lifestyle, the Company has been working to diversify its business into the provision of health and lifestyle related products and services. In order to pursue this new business direction, which requires costs and (from the potential vendors' perspective) financial credibility, the Board considers it to be important that the Group has cash resources on hand so that it can be in a better position to explore future investment opportunities should they arise. As at the date of this announcement, while the Board is still in the course of evaluating the financing performance of the Group's existing businesses, it does not currently have any intention to dispose of any of its existing businesses.

Other than the Placing, the Company had considered various other fund raising methods, including debt issue, bank borrowing, rights issue and open offer. In view of the current market conditions and the results of the Group and its lack of appropriate fixed assets as collaterals, and that a rights issue or an open offer would require the Company to undergo a lengthy and time consuming process, which would, with the current volatile market conditions, bring uncertainty to such fund raising exercise, the Board considered that the debt funding alternatives were not practicable at the time and that the Placing (which can be completed with certainty within a relatively short period of time and at a lower cost) was in the interests of the Company and the Shareholders as a whole.

Taking into account the financial resources available to the Group, including the internally generated funds and the estimated net proceeds of the Placing, the Board currently considers that the Group has sufficient working capital to meet its present requirements. Furthermore, the Board confirms that it has no current intention to raise additional funds through the issuing of new Shares under the general mandate (as given pursuant to Rule 13.36(2)(b) of the Listing Rules) for a period of six months from the date of this announcement. However, should any possible investment opportunities be identified and arise after the date hereof and materialise, the Board will then consider the Company's funding requirements (if any) and the format thereof, in which case further announcement(s) will be issued by the Company as and when required.

EXTENSION OF LONG STOP DATE

The Board further announces that the Company and the Placing Agent have agreed to extend the Long Stop Date from 25 May 2017 to 8 June 2017 (or such later date as may be agreed), as additional time is required for fulfillment of the conditions of completion of the Placing. Save for the extension of the Long Stop Date, all other terms and conditions of the Placing Agreement remain unchanged and shall continue in full force and effect.

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

24 May 2017

As at the date of this announcement, the executive Directors are Mr. Lei Hong Wai (Chairman), Mr. Leung Alex (Vice Chairman), Mr. Tse Chi Keung, Mr. Lee Chan Wah and Ms. Lo Ming Wan; the non-executive Director is Mr. Diao Yunfeng; and the independent non-executive Directors are Mr. Wong Tak Chuen, Mr. Lai Hok Lim and Mr. Lien Wai Hung.