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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

RESULTS

The board of directors (the "**Board**" or "**Directors**") of China Healthwise Holdings Limited (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2017 together with the comparative figures for the year ended 31 March 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Notes	**2017** **HK$'000**	2016 *HK$'000*
Revenue	*3*	**319,221**	352,799
Cost of sales		**(297,054)**	(290,012)
Gross profit		**22,167**	62,787
Other revenue, gains and losses, net	*4*	**(41,158)**	23,280
Selling and distribution expenses		**(55,492)**	(46,389)
General and administrative expenses		**(106,434)**	(98,866)
Share of result of an associate		**(12,326)**	3,653
Finance costs	*6*	**(3,206)**	(2,038)
Impairment loss on goodwill	*10*	**(55,729)**	(36,471)
Impairment loss on property, plant and equipment		**(8,248)**	–
Impairment loss on intangible assets	*10*	**(3,412)**	–
Loss before income tax	*5*	**(263,838)**	(94,044)
Income tax credit	*7*	**1,220**	106
Loss for the year		**(262,618)**	(93,938)

	Notes	2017 HK$'000	2016 HK$'000
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**(7,794)**	(12,106)
Revaluation of available-for-sale investments		**(25,595)**	6,605
Reclassification adjustment upon impairment of available-for-sale investments		**17,595**	–
Reclassification to profit or loss upon disposal of available-for-sale investments		**6,271**	–
Others		**–**	(261)
Other comprehensive income for the year, net of tax		**(9,523)**	(5,762)
Total comprehensive income for the year		**(272,141)**	(99,700)
Loss for the year attributable to:			
Owners of the Company		**(241,937)**	(81,324)
Non-controlling interests		**(20,681)**	(12,614)
		(262,618)	(93,938)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(253,884)**	(88,183)
Non-controlling interests		**(18,257)**	(11,517)
		(272,141)	(99,700)
Loss per share attributable to owners of the Company			
– Basic	*9*	**(4.09) cents**	(1.39) cents
– Diluted	*9*	**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**124,676**	133,288
Goodwill	*10*	**2,500**	60,594
Intangible assets		**3,784**	8,710
Interest in an associate		**8,102**	21,982
Available-for-sale investments	*12*	**174,380**	–
Deferred tax assets		**3,780**	3,197
		317,222	227,771
Current assets			
Inventories		**49,210**	81,500
Trade and other receivables, deposits and prepayments	*11*	**112,448**	84,334
Available-for-sale investments	*12*	**–**	199,017
Amounts due from related companies		**14,796**	13,123
Amount due from an associate		**–**	9,136
Tax recoverable		**252**	599
Pledged bank deposit		**361**	–
Cash and cash equivalents		**38,105**	125,584
		215,172	513,293
Current liabilities			
Trade and other payables and accrued charges	*13*	**90,306**	78,896
Borrowings		**63,788**	36,554
Amounts due to related companies		**66,770**	44,229
Tax payable		**2,967**	3,151
		223,831	162,830
Net current (liabilities)/assets		**(8,659)**	350,463
Total assets less current liabilities		**308,563**	578,234

	Notes	**2017**	2016
		HK$'000	*HK$'000*
Non-current liabilities			
Provision for long service payment		**4,559**	3,744
Deferred tax liabilities		**13,363**	13,380
		17,922	17,124
Net assets		**290,641**	561,110
EQUITY			
Share capital	*14*	**591,776**	591,776
Reserves		**(264,367)**	(10,483)
Equity attributable to owners of the Company		**327,409**	581,293
Non-controlling interests		**(36,768)**	(20,183)
Total equity		**290,641**	561,110

1. ORGANISATION AND OPERATIONS

China Healthwise Holdings Limited 中國智能健康控股有限公司 (formerly known as Haier Healthwise Holdings Limited) (the "**Company**") is a limited liability company incorporated in the Cayman Islands. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and the principal place of business of the Company is at Unit 3811, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively as the "**Group**") are principally engaged in development, engineering, manufacture and sale of toys, consumer electronic products and commercial kitchen products during the year. There were no significant changes in the Group's operations during the year.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – Effective on 1 April 2016

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

The adoption of these new/revised HKFRSs has no material impact on these consolidated financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Loss[1]
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment[3]
Amendments to HKFRSs	Annual Improvements 2014-2016 Cycle[2]
Amendments to HKAS 40	Transfers of Investment Property[3]
HKFRS 9	Financial Instruments[3]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[3]
HKFRS 16	Leases[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[3]

1 Effective for annual periods beginning on or after 1 January 2017

2 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

3 Effective for annual periods beginning on or after 1 January 2018

4 Effective for annual periods beginning on or after 1 January 2019

5 The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("**FVTOCI**") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("**FVTPL**").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 " Leases " and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the financial statements will be resulted.

3. REVENUE AND SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker (the "**CODM**") that are used to make strategic decisions.

The Group has three reportable segments. The segments are managed separately as each business offers different products and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Manufacturing and sale of toys
- Sale of consumer electronic products
- Manufacturing and sale of commercial kitchen products

Inter-segment transactions are priced with reference to prices charged to external customers for similar order. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

(a) Segment revenue and results

For the year ended 31 March 2017

	Toys *HK$'000*	Consumer electronic products *HK$'000*	Commercial kitchen products *HK$'000*	Reportable segment total *HK$'000*
Revenue to external customers	**191,421**	**125,100**	**2,700**	**319,221**
Segment loss before income tax	**(70,654)**	**(40,464)**	**(113,845)**	**(224,963)**

For the year ended 31 March 2016

	Toys *HK$'000*	Consumer electronic products *HK$'000*	Commercial kitchen products *HK$'000*	Reportable segment total *HK$'000*
Revenue to external customers	293,464	47,653	11,682	352,799
Segment loss before income tax	(16,070)	(29,765)	(52,489)	(98,324)

	2017 ***HK$'000***	2016 *HK$'000*
Reportable segment loss	**(224,963)**	(98,324)
Interest income	**10,229**	17,018
Exchange (losses)/gains, net	**(8,437)**	37
Gain on disposal of available-for-sale investments	**3,345**	1,896
Impairment loss on available-for-sale investments	**(17,595)**	–
Share of result of an associate	**(12,326)**	3,653
Equity-settled share-based payment, net	**–**	778
Unallocated corporate expenses		
– Staff costs	**(5,971)**	(6,856)
– Legal and professional fee	**(4,240)**	(4,557)
– Consultancy service expense	**(3,601)**	(5,700)
– Others	**(279)**	(1,989)
Consolidated loss before income tax	**(263,838)**	(94,044)

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	2017	2016
	HK$'000	*HK$'000*
Segment assets		
Toys	**209,754**	221,099
Consumer electronic products	**36,075**	57,949
Commercial kitchen products	**12,780**	132,995
Segment assets	**258,609**	412,043
Available-for-sale investments	**174,380**	199,017
Interest in an associate	**8,102**	21,982
Unallocated corporate assets		
– Cash and cash equivalents	**16,293**	102,733
– Other receivables, deposits and prepayments	**75,000**	4,599
– Others	**10**	690
Consolidated total assets	**532,394**	741,064

	2017	2016
	HK$'000	*HK$'000*
Segment liabilities		
Toys	**178,136**	132,673
Consumer electronic products	**39,531**	21,545
Commercial kitchen products	**23,741**	25,486
Segment liabilities	**241,408**	179,704
Unallocated corporate liabilities	**345**	250
Consolidated total liabilities	**241,753**	179,954

(c) Other segment information included in segment results or segment assets

For the year ended 31 March 2017

	Toys *HK$'000*	Consumer electronic products *HK$'000*	Commercial kitchen products *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Interest income	(14)	–	(3)	(10,229)	(10,246)
Interest expenses	2,947	–	259	–	3,206
Income tax (credit)/expense	(1,208)	(60)	48	–	(1,220)
Share of result of an associate	–	–	–	12,326	12,326
Depreciation of property, plant and equipment	13,524	2,225	571	–	16,320
Amortisation of intangible assets	–	571	1,029	–	1,600
Impairment loss on property, plant and equipment	–	4,122	4,126	–	8,248
Impairment loss on intangible assets	–	–	3,412	–	3,412
Impairment loss on available-for-sale investments	–	–	–	17,595	17,595
Impairment loss on inventories	–	4,586	13,935	–	18,521
Impairment loss on trade and other receivables, deposits and prepayments	246	127	23,256	–	23,629
Compensation payable	–	–	3,690	–	3,690
Impairment loss on goodwill	–	–	55,729	–	55,729
Gain on disposal of available-for-sale investments	–	–	–	(3,345)	(3,345)
Additions to property, plant and equipment	16,213	138	174	–	16,525
Additions to intangible assets	–	528	–	–	528

For the year ended 31 March 2016

	Toys *HK$'000*	Consumer electronic products *HK$'000*	Commercial kitchen products *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Interest income	(14)	(52)	(94)	(17,018)	(17,178)
Interest expenses	2,038	–	–	–	2,038
Income tax (credit)/expense	(594)	332	156	–	(106)
Share of result of an associate	–	–	–	(3,653)	(3,653)
Depreciation of property, plant and equipment	7,840	2,381	431	–	10,652
Amortisation of intangible assets	–	605	596	–	1,201
Impairment loss on inventories	–	–	4,416	–	4,416
Impairment loss on trade and other receivables, deposits and prepayments	134	629	1,187	–	1,950
Impairment loss on goodwill	–	–	36,471	–	36,471
Gain on disposal of available-for-sale investments	–	–	–	(1,896)	(1,896)
Equity-settled share-based payment, net	–	(1,070)	(1,079)	(778)	(2,927)
Additions to property, plant and equipment	40,423	3,977	58	–	44,458
Additions to intangible assets	–	–	22	–	22

(d) Geographical information

Information about the Group's revenue and non-current assets by geographical region, according to the location which the product is shipped and the location of assets, is as follows:

For the year ended 31 March 2017

	Revenue *HK$'000*	**Non-current assets** *HK$'000* *(Note (i))*
United States of America and Canada	**85,343**	**3,404**
Europe *(Note (ii))*	**33,116**	**–**
China	**128,822**	**18,357**
Australia	**1,930**	**–**
Japan	**23,994**	**–**
Hong Kong	**1,167**	**178,189**
Korea	**18,250**	**–**
Indonesia	**15,482**	**113,486**
Others	**11,117**	**6**
	319,221	**313,442**

For the year ended 31 March 2016

	Revenue *HK$'000*	Non-current assets *HK$'000* *(Note (i))*
United States of America and Canada	137,319	3,276
Europe *(Note (ii))*	55,765	–
China	65,809	106,471
Australia	1,869	–
Japan	39,625	–
Hong Kong	1,591	98
Korea	23,833	–
Indonesia	10,884	114,723
Others	16,104	6
	352,799	224,574

Note:

(i) Excluding deferred tax assets.

(ii) The products are first exported to one of the European countries ("**Shipping Port Countries**") and then distributed to different European countries by the customers. The information as to where the products are finally shipped is unavailable and the cost of obtaining such information would be excessive. The directors are of the opinion that disclosing the identities of the Shipping Port Countries is undesirable as such disclosure might be misleading.

(e) **Information on major customers:**

Revenue from one customer (2016: two customers) of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2017	2016
	HK$'000	*HK$'000*
Customer A from toys segment	**32,216**	86,794
Customer B from toys segment *(Note)*	**N/A**	60,498

Note: The corresponding revenue in the year ended 31 March 2017 for Customer B did not contribute over 10% of the Group's total revenue.

4. OTHER REVENUE, GAINS AND LOSSES, NET

	2017	2016
	HK$'000	*HK$'000*
Interest income	**10,246**	17,178
Loss on disposal of property, plant and equipment	**(8)**	–
Gain on disposal of available-for-sale investments	**3,345**	1,896
Impairment loss on available-for-sale investments	**(17,595)**	–
Impairment loss on trade and other receivables, deposits and prepayments	**(23,629)**	(1,950)
Compensation payable	**(3,690)**	–
Exchange (losses)/gains, net	**(8,995)**	4,101
Others	**(832)**	2,055
	(41,158)	23,280

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2017	2016
	HK$'000	*HK$'000*
Costs of inventories recognised as expenses	**220,966**	285,535
Impairment loss on inventories	**18,521**	4,416
Auditors' remuneration	**2,387**	2,433
Depreciation of property, plant and equipment	**16,320**	10,652
Amortisation of intangible assets	**1,600**	1,201
Employee costs (excluding directors' emoluments)	**105,987**	106,213
Directors' emoluments	**3,991**	3,708
Research and development costs (included in general and administrative expenses)	**13,434**	11,129
Minimum lease payments under operating lease	**4,904**	3,378

6. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Total interest expenses for financial liabilities that are not at fair value through profit or loss:		
Interests on bank loans and other borrowings	**3,206**	2,038

7. INCOME TAX CREDIT

No Hong Kong profits tax has been provided for the Group's Hong Kong subsidiaries as they did not derive any assessable profits for the year (2016: Nil).

Enterprise income tax ("**EIT**") has been provided at the rate of 25% (2016: 25%) on the estimated assessable profits for the year arising from the People's Republic of China (the "**PRC**").

Overseas income tax has been provided at the appropriate rates in the countries in which they operate.

The amount of income tax credit in the consolidated statement of comprehensive income represents:

	2017	2016
	HK$'000	*HK$'000*
PRC enterprise income tax		
– under-provision in prior years	**2**	106
Overseas income tax		
– current year	**–**	210
Deferred tax credit	**(1,222)**	(422)
Income tax credit	**(1,220)**	(106)

The income tax credit for the year can be reconciled to the loss before income tax in the consolidated statement of profit or loss and other comprehensive income as follows:

	2017	2016
	HK$'000	*HK$'000*
Loss before income tax	**(263,838)**	(94,044)
Tax calculated at the domestic tax rate of 16.5% (2016: 16.5%)	**(43,533)**	(15,517)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(15,428)**	(3,329)
Tax effect of revenue not taxable for tax purposes	**(3,421)**	(4,340)
Tax effect of expenses not deductible for tax purposes	**25,354**	8,769
Under-provision in respect of prior years	**2**	106
Tax effect of tax losses not recognised	**36,128**	13,815
Others	**(322)**	390
Income tax credit	**(1,220)**	(106)

8. DIVIDENDS

The directors do not recommend any dividend in respect of the year ended 31 March 2017 (2016: Nil).

9. LOSS PER SHARE

	2017	2016
	HK cents	*HK cents*
Basic loss per share	**(4.09)**	(1.39)
Diluted loss per share *(Note)*	**N/A**	N/A

The calculation of basic loss per share attributable to owners of the Company is based on the following data:

	2017	2016
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company, used in the basic loss per share calculation	**(241,937)**	(81,324)

Number of shares	**2017**	2016
Weighted average number of ordinary shares for the purposes of basic loss per share	**5,917,757,997**	5,849,490,874

No diluted loss per share is presented for the years ended 31 March 2017 and 2016 as the effect of all potential ordinary shares is anti-dilutive.

10. GOODWILL

	2017	2016
	HK$'000	*HK$'000*
Cost		
At 1 April	**100,731**	105,880
Exchange difference	**(6,095)**	(5,149)
At 31 March	**94,636**	100,731
Accumulated impairment		
At 1 April	**40,137**	3,523
Impairment loss recognised in the year	**55,729**	36,471
Exchange difference	**(3,730)**	143
At 31 March	**92,136**	40,137
At 31 March:		
Cost	**94,636**	100,731
Accumulated impairment	**(92,136)**	(40,137)
Net carrying amount	**2,500**	60,594

Goodwill acquired in business combination is allocated, at acquisition, to the cash-generating unit ("**CGUs**") that are expected to benefit from that business combination. As at 31 March 2017 and 2016, the goodwill arose from the acquisitions of CGUs which are engaged in manufacturing and sale of commercial kitchen products and sale of toys respectively, is as follows:

	2017	2016
	HK$'000	*HK$'000*
Commercial kitchen products	**–**	58,094
Toys	**2,500**	2,500
	2,500	60,594

Commercial kitchen products

The directors determined the respective recoverable amount of the CGUs of the commercial kitchen products as at 31 March 2017 from their value-in-use based on the valuations performed by an independent firm of professional valuer using the income approach method.

The income approach method is based on the projection of future cash flows of the commercial kitchen products segment derived from the financial budgets approved by the management of the Company ("**Management**") covering a five-year period. Cash flow beyond the five-year period are extrapolated as there is 3% growth in the commercial kitchen products segment in the PRC.

The discount rates of 23% (2016: 15% to 19%) adopted in the future cash flows projections of the CGUs of the commercial kitchen products are pre-taxed and reflect specific risks relating to the relevant markets.

In prior years, the Management expected the growth of commercial kitchen products segment will become obvious in these years because of the government policy regarding the heat efficiency requirement for commercial kitchen products. However, throughout the year, there was no news on the exact timeframe for the implementation of such new policy and the growth in demand of commercial kitchen products is not happened as expected. In addition, due to the recent slowdown in the economic growth in the PRC, leading to the delay of some potential and ongoing commercial kitchen equipment procurement projects, the Management has become more prudent and cautious for partner choosing and project selection. Therefore, in current year, the Management has reassessed and adjusted the revenue growth adopted in the five-year financial budgets. This had an adverse impact on the estimated value-in-use of those CGUs and an impairment loss on goodwill of HK$55,729,000 and an impairment loss on intangible assets of HK$3,412,000 was recognised. As the carrying amount of the CGUs has been reduced to their recoverable amount of HK$750,000, any adverse changes in the key assumptions used to calculate the recoverable amount would result in further impairment losses.

Toys

The recoverable amount of the CGU of the toys trading business in the USA is determined by the value-in-use calculation. The calculation was carried out by cash flow projection based on financial budget approved by the Management covering a five-year period. Cash flow beyond the five-year period is extrapolated using an estimated average growth rate of 3% (2016: 3%), which does not exceed the long-term growth rate for the industry in the corresponding country.

The discount rate of 21% (2016: 25%) adopted in the value-in-use calculation of the CGU of toys is pre-taxed and reflect specific risks relating to the relevant markets.

The Management reassessed the recoverable amount of the CGU of toys as at 31 March 2017 by reference to the discounted cash flow calculations with the above estimations and was of the opinion that no impairment loss should be recognised as the carrying amount of the CGU of toys approximates to its recoverable amount.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The carrying amounts of trade and other receivables, deposits and prepayments are as follows:

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**37,633**	53,739
Less: allowance for doubtful debts	**(14,968)**	(7,125)
	22,665	46,614
Other receivables, deposits and prepayments	**29,373**	37,720
Less: allowance for doubtful debts	**(14,590)**	–
	14,783	37,720
Refundable deposit paid for acquisition *(Note (d))*	**75,000**	–
	112,448	84,334

(a) The ageing analysis of the trade receivables, net of allowance for doubtful debts, is as follows:

	2017	2016
	HK$'000	*HK$'000*
0-90 days	**19,345**	26,109
91-180 days	**532**	854
181-365 days	**2,770**	5,786
Over 365 days	**18**	13,865
	22,665	46,614

The Group's sales are on letter of credit or open account terms. Credit terms are reviewed on a regular basis. The normal trade terms include letter of credit, deposits before shipments and credit period ranging from 30 to 90 days but business partners with strong financial backgrounds may be offered longer credit terms.

(b) Below is the ageing analysis of the carrying amounts of trade receivables that are past due at the end of the reporting period but for which the Group has not provided for impairment loss because the Management are of the opinion that the fundamental credit quality of the customers has not deteriorated:

	2017	2016
	HK$'000	*HK$'000*
Within 30 days past due	**567**	279
31 to 90 days past due	**378**	5,403
Over 90 days past due	**2,906**	14,907
	3,851	20,589

Trade receivables that are neither past due nor impaired relate to customers for whom there is no recent history of default.

Trade receivables that are past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Management believes that no provision for impairment is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

At 31 March 2017, trade receivables of HK$18,814,000 (2016: HK$26,025,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

(c) The movements in the allowance for doubtful debts during the year, including both specific and collective loss components, are as follows:

Allowance of doubtful debts on trade receivables

	2017	2016
	HK$'000	*HK$'000*
At beginning of year	**7,125**	5,613
Amounts written off for the year	**(246)**	(134)
Impairment loss recognised	**8,707**	1,950
Exchange difference	**(618)**	(304)
At end of year *(Note)*	**14,968**	7,125

Note:

Included in the above allowance for doubtful debts in respect of trade receivables is a provision for individually impaired trade receivables of HK$14,968,000 (2016: HK$7,125,000) with a carrying amount before provision of HK$19,628,000 (2016: HK$12,524,000).

Allowance of doubtful debts on other receivables

	2017 *HK$'000*	2016 *HK$'000*
At beginning of year	**–**	–
Impairment loss recognised	**14,922**	–
Exchange difference	**(332)**	–
At end of year *(Note)*	**14,590**	–

Note:

Included in the above allowance for doubtful debts in respect of other receivables is a provision for individually impaired other receivables of HK$14,590,000 (2016: Nil) with a carrying amount before provision of HK$14,590,000 (2016: Nil).

(d) On 29 March 2017, the Group entered into a sale and purchase agreement (the "**S&P Agreement**") in relation to the acquisition of entire issued share capital of Ace Season Holdings Limited. Pursuant to the S&P Agreement, a refundable deposit of HK$75,000,000 had been paid by the Group as at 31 March 2017.

12. AVAILABLE-FOR-SALE INVESTMENTS

	2017 *HK$'000*	2016 *HK$'000*
Equity securities – at fair value		
– Listed in Hong Kong *(notes b and c)*	**174,380**	–
Debt securities – at fair value		
– Listed in Hong Kong	**–**	82,724
– Listed outside Hong Kong	**–**	116,293
	–	199,017
At 31 March	**174,380**	199,017

The fair value of the Group's listed equity securities in Hong Kong at the date of approval of the consolidated financial statements was HK$171,450,000.

(a) Listed equity securities are stated at fair value. Fair value of listed equity securities is determined based on quoted bid prices in the Stock Exchange.

(b) The Group's strategic investments are 28% interest in Global Mastermind Capital Limited ("**GMC**") and 23% interest in Global Mastermind Holdings Limited ("**GMH**"). These companies are not classified as subsidiaries or associates as the Group does not have the power to control or participate in its operating and financial policies, evidenced by the lack of any direct or indirect involvement at board level.

(c) At 31 March 2017, the Company re-measured its investment in 195,500,000 shares in GMC and 800,000,000 shares in GMH at the closing price of HK$0.36 per share and HK$0.13 per share respectively as quoted on the Stock Exchange on 31 March 2017.

13. TRADE AND OTHER PAYABLES AND ACCRUED CHARGES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**42,723**	41,960
Other payables and accrued charges	**47,583**	36,936
	90,306	78,896

Included in trade payables are trade creditors with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	2017	2016
	HK$'000	*HK$'000*
0-90 days	**24,834**	29,652
91-180 days	**2,214**	4,839
181-365 days	**1,616**	3,843
Over 365 days	**14,059**	3,626
	42,723	41,960

14. SHARE CAPITAL

	Authorised			
	Convertible cumulative redeemable preference shares of US$100,000 each		**Ordinary shares of HK$0.1 each**	
	Number of Shares		**Number of shares**	
		US$'000	*'000*	*HK$'000*
At 1 April 2015, 31 March 2016 and 2017	40	4,000	10,000,000	1,000,000

	Issued and fully paid			
	Convertible cumulative redeemable preference shares of US$100,000 each		**Ordinary shares of HK$0.10 each**	
	Number of shares		**Number of shares**	
		US$'000	*'000*	*HK$'000*
At 1 April 2015	–	–	5,647,758	564,776
Exercise of warrants	–	–	270,000	27,000
At 31 March 2016 and 2017	–	–	5,917,758	591,776

15. EVENTS AFTER THE REPORTING DATE

(i) Major transaction in relation to acquisition of Ace Season Holdings Limited (the "Acquisition")

On 29 March 2017, the Company signed a sale and purchase agreement to acquire the entire issued share capital of Ace Season Holdings Limited and the related shareholder's loan at an aggregate consideration of HK$85 million. As at the date of this announcement, the Acquisition has yet to complete. For more details, please refer the Company's announcement dated 29 March 2017 and the Company's circular dated 9 June 2017 in relation to the Acquisition.

(ii) Subscription of new shares under general mandate (the "Share Subscription")

On 29 March 2017, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to allot and issue and the Subscriber conditionally agreed to subscribe for a total of 363,636,363 subscription shares at the subscription price of HK$0.165 per subscription share.

On 2 May 2017, an aggregate of 363,636,363 subscription shares, were allotted and issued to the Subscriber at the subscription price of HK$0.165 per subscription share. The net proceeds from the Share Subscription were approximately HK$59.9 million.

(iii) Placing of new shares under general mandate (the "Share Placing")

On 11 May 2017, the Company entered into a share placing agreement ("**Share Placing Agreement**") with Kingston Securities Limited ("**Kingston Securities**"). Pursuant to the Share Placing Agreement, Kingston Securities conditionally agreed to place, on a best effort basis, up to an aggregate of 819,914,000 new ordinary shares of the Company to not less than six placees at a price of HK$0.14 per placing share.

On 12 June 2017, 819,914,000 new ordinary shares were placed at HK$0.14 per placing share. The net proceeds from the Share Placing were approximately HK$110 million.

CORPORATE INFORMATION

On 15 December 2016, the name of the Company was changed from "Haier Healthwise Holdings Limited 海爾智能健康控股有限公司" to "China Healthwise Holdings Limited 中國智能健康控股有限公司" to better reflect the Company's new shareholding structure and business strategy.

On 5 April 2017, the principal place of business of the Company in Hong Kong has changed to Unit 3811, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong and the telephone and facsimile numbers of the Company has changed to (852) 2268 8226 and (852) 2369 0981.

RESULTS

For the year ended 31 March 2017 (the "**Year**" or "**Period**" or "**FY16/17**"), the Group's turnover decreased by approximately ("**approx.**") 10% to approx. HK$319 million, compared with approx. HK$353 million for the year ended 31 March 2016 (the "**FY15/16**" or "**Corresponding Period**").

Gross profit margin for the Period was approx. 7% compared to approx. 18% in the Corresponding Period. Overall, loss attributable to owners of the Company was approx. HK$242 million compared with HK$81 million in the Corresponding Period. The Directors do not recommend the payment of any dividend for the year ended 31 March 2017 (FY15/16: Nil).

BUSINESS REVIEW

During the Year, sales decreased due to the sales decline on both toys and commercial kitchen products segments.

The Group recorded an increase in loss for the year ended 31 March 2017 as compared to the year ended 31 March 2016. The consolidated loss was primarily attributable to the impairment loss on goodwill, available-for-sales investments, trade and other receivables as well as the decrease in sales and decrease in gross profit margin as a result of the impairment loss on inventories in commercial kitchen products segment and the increase in labour costs, depreciation charges, additional production processes, extraordinary testing and sanitation expenses in toy segment during the year.

Commercial Kitchen Products

青島瑞迪燃氣具製造有限公司 ("**Qingdao Ruidi**") and its subsidiaries are the major commercial cooking appliances manufacturers in the PRC. Besides, cooking appliances manufacturing and sale, Qingdao Ruidi implemented commercial kitchen Equipment Procurement Construction ("**EPC**") projects with hotels, restaurants, schools, government agencies, etc. during the Year. Due to the PRC economic slowdown, some of the EPC projects we bid were delayed. In addition, given the macro-economic situation, the management of the Company ("**Management**") believes a healthy cash flow is essentially important for the Group's long term stability and growth. Therefore, we have been more prudent and cautious for partner choosing and project selection. The above objective and subjective reasons led to a revenue decline in this segment.

Consumer Electronic Products

Childcare Products

The market for childcare related products and services is huge and fast growing in China. The National Bureau of Statistics of China indicates that the number of newborn babies will increase by 2.5 million per year because of the effect of the two-child policy. Since the Group entered the childcare market, the Management has been working closely on R&D enhancement, product line expansion, distribution channel development and integration. Currently, the main products of the Group are Haier and Brillante branded small baby appliances (electric sterilizer, baby bottle & food warmer, baby food processor, baby hair cutter, baby air purifier, etc.).

During the Year, the Management continues to deploy the multi-brand and multi-product strategy to meet customers' comprehensive needs. So far, we have entered into partnerships with a few world-leading childcare brands, including Nuby, a world famous baby and infant feeding brand, Bébé Confort and Safety 1st, sub-brands of Dorel Group, a global childcare corporation specialising in strollers, car seats, baby travel gears, etc. to serve as their major distributor for childcare products in the PRC. During the Year, the above brands have generated sales and the Management expects that they will be important revenue generators for this segment in the near future.

Toys

The expended Indonesian factory contributed to the Group's overall sales. However, it exposed the weaknesses of the Original Equipment Manufacturing ("**OEM**") business segment of the Group as there was substantial decrease in sales by approx. 44%, further burdened by annual increased in labour and staff costs plus additional costs of fixed assets investments which led to an overall lower gross margin in the toy manufacturing segment. During the Year under review, the Group incurred additional production processes, testing and sanitation expenses at the Indonesian factory which further impacted this segment's contribution.

The decrease in sales were mainly attributable to the fact that the Serang factory was not awarded products from our major US customer for toys relating to any major blockbuster movies for this financial year. Our Japanese customer also lowered its orders for a line of pre-school construction block sets destined for the Japan market. The rush to complete orders for electronic components of a popular brand licensed dolls that kept the Serang factory busy in the previous year did not repeat in the current year.

During the Year, the Group obtained a new banking facilities from one of the largest financial institutions in Asia to repay the previous local banking facility and invest to additional production equipment by pledging the Group's fixed assets in Indonesia and provide corporate guarantee resulting an increase in bank borrowing as at 31 March 2016 amount of HK$37 million to HK$64 million as at 31 March 2017.

The slowed but continued recovery of the North American market has not helped the sales of our Own Brand Manufacturing ("**OBM**") business. Kid Galaxy has recorded a decrease in sales by approx. 10% overall due to the competitive market condition in the United States and unable to maintain sales momentum in other previously growing markets such as Europe and Asia due to BREXIT, negative economic climate and weaker currencies.

Due to the lower OEM and OBM toy sales, account receivables for the toy segment decreased from HK$24 million as at 31 March 2016 to HK$19 million as at 31 March 2017.

PLANS AND PROSPECTS

Commercial Kitchen Products

The commercial kitchen products market is very fragmented in the PRC with no major players in the market. Market growth is driven by increasing demand for dining out as the living standard rises, higher environmental standard and motivation to save fuel costs. However, due to the PRC economic slowdown, the investment in fixed assets decreased during the Year, which caused negative effects on the commercial kitchen products market. The Management will control the financial risks with caution.

Consumer Electronic Products

Childcare Products

The Group has shifted from a single brand baby appliance producer into a multi-brand and multi-product childcare product and service provider. The strategic partnerships with Nuby, Bébé Confort, and Safety 1st are milestones for the Group. The Management expects that we would form similar partnerships with more international childcare brands in the near future. In addition, the Management will continue to spend great efforts on new product R&D to enrich the overall product portfolio.

Toys

For the financial year ending 31 March 2018, the demand for toy products is expected to improve slightly with the Group obtaining orders to produce toy products for a planned October 2017 animated movie release. Our major Japanese customer is likely to increase orders to the Indonesian factory with additional new line of pre-school construction block sets which were strongly promoted in the recent Japan Toy Fair. Another Japanese customer is relocating additional production away from Mainland China to our Serang factory in the coming financial year. Sales to Korea are expected to increase due to the favourable market response to our toys related new animated Television Show and the stabilizing political situation in that country.

The Group had to face the annual minimum wages increase in Indonesia by more than 8% beginning January 2017. In view of the imminent interest rates hikes in the United States and the depreciating Chinese Yuan or Renminbi and other competing Asian currencies, in additional to the Indonesia local political situation, Rupiah are likely to be fluctuating in order to stay competitive which may further increase the Group's foreign currency risks. The lower Renminbi and other Asian currencies and lesser increase in other countries minimum salaries will make it tougher for the Group's Indonesian plant to compete as a viable production source for OEM customers.

Despite the competitive environment of the OEM toy manufacturing business, management consider that it is vital for the Group to continue to invest and broaden the Indonesian plant capabilities and upgrade the facilities in order to comply with customers' quality requirements and revised standards as well as local governments new regulations. Additional costs are expected to be spent on upkeeping and maintaining the factory condition as well as continuous training for the local staff and workers in order to improve our productivity and quality.

Kid Galaxy had showcase new products in the recent toy fairs in the early part of 2017 receiving positive responses. However, further capital investments in continuous product development, engineering, new product moulds plus additional marketing and promotion costs for new products will continue to affect the contribution to this segment's profitability. The Group will continue to seek alternative capital and financing to support the toy segment.

Chinese health products

The Directors have been actively exploring new investment opportunities from time to time in order to diversify the revenue sources of the Group. On 29 March 2017, the Company as purchaser entered into a sale and purchase agreement in respect of the Acquisition (as defined below).

Ace Season Holdings Limited (the "**Target Company**") and its subsidiaries are principally engaged in the sales of Chinese and other medicines, pharmaceutical products, health products, ginseng and dried seafood products to wholesaler and retailer as well as Chinese clinical services. One of the subsidiary of the Target Company, Nam Pei Hong Sum Yung Drugs Company Limited engages in the business of trading and retail of "Sum Yung"（參茸）and dried seafood products since 1977 and the brand name of "Nam Pei Hong"（南北行）is highly recognised in Hong Kong and Southern Mainland China.

The Directors consider that the Acquisition represents a suitable opportunity to the Group to diversify its business into the retail business of "Sum Yung"（參茸）and dried seafood products in Hong Kong and broaden its revenue base, which is expected to have a positive future impact on the Group's performance given the positive outlook of such business.

GROUP RESOURCES AND LIQUIDITY

As at 31 March 2017, the Group's cash and bank balances were approx. HK$38 million (FY15/16: HK$126 million). The Group's total bank borrowings were approx. HK$64 million (FY15/16: HK$37 million). Gearing ratio, calculated as the total bank borrowings divided by shareholders' equity was approx. 22% as at 31 March 2017 (FY15/16: 7%). As at 31 March 2017, the Group recorded total current assets of approx. HK$215 million (FY15/16: HK$513 million) and total current liabilities of approx. HK$224 million (FY15/16: HK$163 million). The current ratio of the Group, calculated by dividing the total current assets by the current liabilities, was approx. 96% (FY15/16: 315%). The Group recorded a decrease in shareholders' fund from approx. HK$561 million as at 31 March 2016 to a net asset position of approx. HK$291 million as at 31 March 2017. The decrease was mainly due to the Group suffering from loss on its operations and the impairment loss on goodwill, available-for-sale investments, trade and other receivables and inventories.

SIGNIFICANT INVESTMENTS AND ACQUISITIONS

On 29 March 2017, the Company has signed a sale and purchase agreement to acquire the entire issued share capital of Ace Season Holdings Limited and the related shareholder's loan at an aggregate consideration of HK$85 million. (the "**Acquisition**"). As at the date of this announcement, the Acquisition has yet to complete. For more details, please refer the Company's announcement dated 29 March 2017 and the Company's circular dated 9 June 2017 in relation to the Acquisition.

On 2 May 2017, the Company had allotted and issued a total of 363,636,363 shares of the Company to a subscriber under the general mandate of the Company with net proceeds of approx. HK$59.9 million. The proceeds intended to be used by the Company for (i) the Acquisition and/or (ii) general working capital.

On 12 June 2017, the Company had placed and issued a total of 819,914,000 shares of the Company at the placing price of HK$0.14 per share of the Company to not less than six placees under the general mandate of the Company with net proceeds of approx. HK$110 million (the "**Placing**"). The Company intends to apply: (i) approx. HK$95 million of the proceeds from the Placing on future investment opportunities; and (ii) approx. 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.

Save as disclosed in this announcement, the Group did not have any other significant investments or acquisitions or disposal of subsidiaries during the Year.

EMPLOYEES

As at 31 March 2017, the Group had approx. 2,388 employees and contract workers based in Hong Kong headquarters, Macau office, PRC offices, the Indonesian factory and the U.S. sales office. The number of employees of the Group varies from time to time depending on production needs and they are remunerated based on industry practices.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in Appendix 10 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") (the "**Model Code**"). The Company has made specific enquiry of its Directors. All Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the Year under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year under review.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining a high standard of corporate governance practices as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Listing Rules and the Company has complied with the code provisions set out in the CG Code save for the deviation from code provision A.2.1.

The roles of Chairman and Chief Executive Officer have been performed by Mr. Diao Yunfeng since 27 October 2014. Although under code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, the combination of the roles of Chairman and Chief Executive Officer by Mr. Diao is considered to be in the best interests of the Company and its shareholders as a whole. The Board believes that combining the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership for both the Board and Management enabling the Company to operate efficiently. The Board considers that such an arrangement will not impair the balance of power and authority between the Board and the Management.

On 11 October 2016, Mr. Diao was re-designated as a Co-Chairman of the Board upon the appointment of Mr. Lei Hong Wai as a Co-Chairman of the Board.

On 27 October 2016, Mr. Diao has resigned as a Co-Chairman of the Board and the Chief Executive Officer of the Company and was re-designated from an executive Director to a non-executive Director. On the same day, Mr. Lei Hong Wai was re-designated from a Co-Chairman to the Chairman of the Board.

Currently, the Board is led by the Chairman, Mr. Lei Hong Wai, and the Vice Chairman, Mr Leung Alex who was appointed on 20 March 2017.

A detailed Corporate Governance Report setting out the Group's framework of governance and explanation about how the provisions of the CG Code have been applied will be included in the Company's Annual Report 2016/2017.

ANNUAL GENERAL MEETING FOR THE YEAR 2017 (THE "2017 AGM")

The 2017 AGM of the Company will be held on 8 September 2017. A circular containing, amongst other matters, further information relating to the 2017 AGM will be despatched to the shareholders of the Company as soon as practicable.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 5 September 2017 to 8 September 2017 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the 2017 AGM of the Company to be held on 8 September 2017, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 4 September 2017.

AUDIT COMMITTEE

Pursuant to the Listing Rules, an Audit Committee was established on 14 March 2000. The Audit Committee currently consists of three Independent Non-executive Directors, namely Mr. Wong Tak Chuen, Mr. Lai Hok Lim and Mr. Lien Wai Hung. Mr. Wong Tak Chuen is the Chairman of the Audit Committee.

By reference to "A Guide for the Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants, written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted by the Board since the date of establishment. The principal activities of the Audit Committee include the review and supervision of the Group's financial reporting process (including the preparation of the interim and annual results, internal controls and corporate governance).

Two Audit Committee Meetings were held with full attendance during the year ended 31 March 2017 to review the interim and annual financial results and reports, financial reporting, report on the Company's internal control and risk management review and processes and the re-appointment of the external auditors.

The Company's annual results for the year ended 31 March 2017 has been reviewed by the Audit Committee.

The Audit Committee also met the external auditors twice during the year ended 31 March 2017 in the absence of the Executive Directors.

SCOPE OF WORKS OF MESSRS. BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2017 as set out in this preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on this preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under "Latest Listed Companies Information" and the website of the Company at www.healthwisehk.com under "Investor Relations".

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

Hong Kong, 29 June 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.